

PREPARED EXCLUSIVELY FOR
HARMONIA INVESTMENTS LLC

PRIVATE WEALTH MANAGEMENT TEAM
The Apollo Group

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THE APOLLO GROUP AT MORGAN STANLEY

O U R T E A M

The Apollo Group at Morgan Stanley Private Wealth Management is a deeply experienced, nationally recognized team that focuses exclusively on the complex wealth management needs of highly affluent families and individuals, top professional athletes, renowned entertainers, prominent executives and family offices.

The Apollo Group was founded on two indisputable principles: putting clients first and leading with exceptional ideas. Our approach is comprehensive and holistic – team members are active participants in the financial lives of our clients and approach all objectives creatively and resourcefully with thoughtful analysis, sound judgment and relentless follow-through.

*“We are what we repeatedly do.
Excellence, then, is not an act, but a habit”*

- ARISTOTLE

*“It requires a great deal of boldness and a great
deal of caution to make a great fortune, and
when you have it, it requires ten times as much
skill to keep it”*

- RALPH WALDO EMERSON

OUR APPROACH

Your family's dynamics, goals and risk tolerance are unique. We will tailor our process to help meet your personal and financial needs and objectives.

1 Discovery process

While every client situation is unique, we begin by learning about you, your family and your financial complexities. What we learn helps us to formulate specific strategies and, of equal importance, it helps us customize the entire relationship to your preferences and requirements.

2 Formulation of tax, trust and estate strategy

After reviewing your balance sheet and existing estate plan, we help analyze your income and estate tax circumstances to identify planning techniques that may be effectively tailored to your personal and financial objectives. We will work with your tax and legal advisors in this effort.

3 Creation of a customized strategic asset allocation

Managing significant wealth often involves developing a customized asset allocation mix that reflects risk, opportunities and taxation across multiple entities. This asset allocation becomes the basis for a long-term strategy.

6 Ongoing assessment of wealth management needs

Coordinating with you and your other advisors, we can conduct ongoing reviews and comprehensive reporting to ensure that your strategy adapts to changing financial and family needs.

4 Integration of tactical asset allocation

These short-term adjustments in asset allocations¹ seek to take advantage of opportunities created by temporary market distortions. Before adjustments are made, we can analyze the impact of any taxes or trading costs on potential returns.

5 Implementation of a customized investment strategy

After comprehensive due diligence and extensive analysis of expected results across a range of market scenarios, investment strategies from our global investment platform can be leveraged to create your portfolio. This process can help to create the most efficient balance of risk and return for your specific strategy.

OUR INVESTMENT MANAGEMENT PROCESS

1 Strategic Asset Allocation

- Integrate asset allocation with trust, tax and estate planning strategies, coordinating with other advisors to encompass all client holdings
- Analyze investments within legal entities and by beneficiaries to align with tax and estate planning goals

3 Tactical Asset Allocation

- Seek to enhance long-term performance by taking advantage of temporary market dislocations
- Under- and overweight asset classes relative to the strategic asset allocation to avoid undue volatility
- Take into account the effects of taxation and transaction costs before any adjustments

2 Investment Selection

- Draw from open-architecture platform of affiliated and unaffiliated investment managers who have been vetted by rigorous qualitative and quantitative due diligence process
- Evaluate combinations of investment managers in lieu of or in combination with indexing

4 Portfolio Construction

- Create portfolios using a combination of specialist managers who complement one another with minimal overlap
- Maximize diversification while focusing on long-term portfolio returns, standard deviation and correlation
- Establish a funding plan that reflects market conditions, client preferences and potential taxes

5 Performance & Risk Monitoring

- Periodically analyze and review manager selection to assure adherence to style criteria
- Perform portfolio performance review and risk monitoring to ensure alignment to investment strategy

OUR SERVICES

INVESTMENT MANAGEMENT

- Tax Management
- Portfolio Construction & Management
- Open Architecture Program
- Money Manager Due Diligence Research
- Access to IPO and Secondary Issues
- Hedge Fund / Private Equity Access

FINANCIAL, TRUST & ESTATE PLANNING STRATEGIES

- Current Will, Trust & Insurance Review
- Wealth Transfer & Trust Strategies
- Creditor Protection
- Pre-Liquidity Planning
- Cash Flow Planning
- Retirement Planning
- Educational Planning (529 Plans, etc.)
- Philanthropic Services
- Budget/Expense Analysis

CORPORATE SERVICES

- Directed Shares, Stock Plans, 10b5-(1)
- Access to Capital Markets & Investment Banking
- Cash Management
- Retirement & Pension Plans
- Stock Option Analysis
- 401(k) / Pension Administration

RISK MANAGEMENT

- Hedging Strategies
- Portfolio Protection Solutions
- Concentrated/Restricted Stock Advice
- Interest Rate Risk Management
- Currency Exposure Strategies
- Insurance Solutions

CLIENT SERVICES

- Trade Execution
- Online Account Access
- Wires/Check-Writing Capabilities
- Currency Exchange
- Debit/ATM & Credit Cards
- Year-End Tax Planning/Reporting
- Performance Reporting

ACCESS TO BANKING AND LENDING SERVICES

- Securities Based Lending (Secured)
- Residential Real Estate Financing
- Commercial Lending / Financing
- Comprehensive Tailored Lending
- Financing of Restricted Stocks
- Cash Management Services
- Financing of Aircraft, Sports Teams & Art
- Unsecured Credit Lines

OUR TEAM

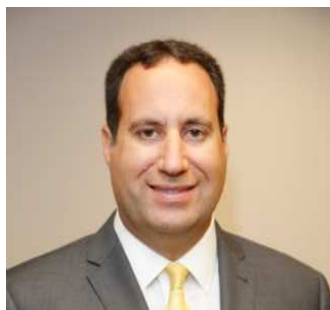
**STEVE CONDOS, CIMC®**

Managing Director | Private Wealth Advisor
Sports and Entertainment Director
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NMLS# 1310692

As head of The Apollo Group, Steve Condos plays a leading role in all aspects of the team's business including wealth management, business development and client servicing. His areas of concentration include investment management and portfolio construction.

Steve has been named among Barron's America's Top 1,200, Forbes' Best – In – State Wealth Advisors 2018, Financial Advisors for 2015, 2016 and 2017, Financial Times' FT 400 Top Financial Advisors in America for 2013, 2015, and 2016, REP Magazine's Top 100 Wirehouse Advisors in America for 2012 and appeared in Worth Magazine in 2015, 2016 and 2017. These proud accomplishments are in recognition of Steve and his team's dedicated work on behalf of their clients. He is also a member of The Investments & Wealth Institute and The Hellenic American Bankers Association (HABA). Steve holds a Certified Investment Management Consultant (CIMC®) from the School of Business at George Washington University and is a graduate of the Environmental and Biological Sciences School at Rutgers University.

**KENNETH MORRIS, CFP®**

Senior Vice President
Private Wealth Advisor
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Kenneth Morris focuses on providing customized solutions and guidance in the areas of wealth preservation and distribution, tax, trust, insurance and estate analysis as well as financial, retirement, philanthropy, and educational planning; therefore tying together all aspects of clients' financial and personal life goals.

Ken has appeared in Worth Magazine and On Wall Street Magazine. He was named to New York Magazine's Five Star Wealth Managers in New York for 2015. Ken is a graduate of the School of Business at Hofstra University and is a CERTIFIED FINANCIAL PLANNER™ (CFP®).

Morgan Stanley Smith Barney LLC does not accept appointments nor will it act as a trustee but it will provide access to trust services through an appropriate third-party corporate trustee.

Morgan Stanley Smith Barney LLC offers insurance products in conjunction with its licensed insurance agency affiliates.

OUR TEAM

**MARILYN F. BOOKER**

Managing Director
Head, Urban Markets Group
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Marilyn joined Morgan Stanley in January 1994. She is a Managing Director and the Head of Morgan Stanley's Urban Markets Group. Prior to establishing The Urban Markets Group, Marilyn was the head of Diversity, Work-Life, EEO and Human Resources Policy for Morgan Stanley. She has practiced in the areas of criminal defense litigation, municipal finance, corporate bankruptcies and corporate restructuring.

A native of Chicago, Marilyn received her B.A. magna cum laude from Spelman College and her J.D. from the Illinois Institute of Technology-Chicago Kent College of Law. Marilyn is a former trustee of the Morgan Stanley Foundation, a member of The Morgan Stanley Benefit Plan Administrative Committee and a former member of the Morgan Stanley Residential Franchise Risk Committee. She is on the board of the New York Urban League and a member of the Executive Leadership Council. She is also a former board member of the Arthur Ashe Institute of Health and the Michael J. Berkeley Foundation. Marilyn testified before the U.S. House of Representatives Financial Services Subcommittee on Oversight and Investigations at its hearing on "Diversity in the Financial Services Sector." She also appeared on "ABC World News Tonight" in a segment on "Women and the Workforce" and was featured in a "CBS MarketWatch Weekend" segment highlighting Morgan Stanley's Emergency Day Care Program.

Marilyn was recognized in 2012 and 2011 by Savoy magazine as one of the "Top 100 Most Influential Blacks in Corporate America," was recognized by Uptown Professional in 2011 as one of the "100 Top Executives in America" and was honored in 2012 by the Mt. Sinai Hospital Center for Multi-Cultural Affairs as a Diversity Champion. Marilyn was also selected by the Network Journal as one of the "25 Influential Black Women in Business," was selected by Harvard College Black Men's Forum as its "2009 Woman of the Year" and was recently honored by the United Way Pipeline Crisis, the Association for Black Women Attorneys and the Brooklyn, New York, Weeksville Heritage Center. Marilyn was the keynote speaker for the 2012 Wharton Whitney M. Young Conference. She also has her Series 7, 9, 10, and 66 licenses. The proud parent of three lovely children, Marilyn's interests are golf, tennis, playing the piano and making a difference in the lives of others.

OUR TEAM

**JARED KATZMAN**

Vice President | Private Wealth Advisor
 Alternative Investments Director
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Jared Katzman is a Vice President and Private Wealth Advisor with The Apollo Group at Morgan Stanley Private Wealth Management. He joined The Apollo Group in 2009 and works directly with high net worth individuals, families, foundations, endowments, and corporations. His responsibilities primarily include portfolio management and business development as he works with his team in constructing comprehensive plans and investment processes for clients, along with the implementation of tax mitigating strategies. In 2017, Jared was chosen as a Five Star Wealth Manager by New York Magazine. He is also a designated Portfolio Manager and an Alternative Investments Director at Morgan Stanley. Jared graduated from Lynn University where he received his MBA in Marketing and a BS in Business Management.

**FORTUNE S. MACRI III**

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Fortune Macri is primarily responsible for portfolio management and business development. His asset management experience focuses on equity, fixed income and alternative investments and how they relate in the context of overall capital markets, portfolio analysis and strategic implementation.

Fortune has been named to New York Magazine's Five Star Wealth Managers in both 2016 and 2017. Fortune received his MBA in Finance from Fordham University's Graduate School of Business Administration in 2008 and his BS in Business Administration and Economics from Fordham University's Gabelli School of Business in 2007.

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OUR TEAM

**ANTHONY PEROS, CFA**

Director of Business Strategy
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Anthony is an Assistant Vice President and has been with The Apollo Group for over ten years. He is responsible for constructing customized portfolios for our clients, conducting due diligence on the various investment opportunities offered through Morgan Stanley, and developing the team's short and long-term macroeconomic views.

He holds the Chartered Financial Analyst (CFA) designation and is a member of the New York Society of Security Analysts (NYSSA). Anthony obtained a Bachelor of Arts from Connecticut College, graduating Cum Laude with commencement honors for distinction in both of his major fields.

**BRITTANY ARMIENTO**

Registered Client Service Associate
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Brittany is a Registered Client Service Associate for The Apollo Group at Morgan Stanley Private Wealth Management. Brittany leads our teams' operation management; this includes ongoing client service and all administrative functions on behalf of our clients. Brittany received her MBA in Finance from Iona College Hagan School of Business in 2013 and BBA in Finance from Iona College in 2012.

OUR TEAM

**JILLIAN KAPLOVE**

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Jillian is a Client Service Associate for The Apollo Group at Morgan Stanley Private Wealth Management. Jillian supports the team's administrative functions and operation management, while providing ongoing customer service to clients.

Jillian graduated with Cum Laude honors from the University of Miami, where she received a Bachelor of Business Administration in both Finance and Marketing.

**JACK BEATTIE**

Consulting Group Analyst
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Jack is the Consulting Group Analyst for The Apollo Group at Morgan Stanley Private Wealth Management. Jack focuses on financial planning, cash flow analysis, and performance reporting tailored to meet the needs of clients. He is also responsible for transactional business encompassing both retail and institutional trading.

Jack holds a Bachelor of Arts degree from Miami University in Oxford, Ohio.

OUR TEAM

**ALEXANDER SUERO, CIMA®**

Vice President

Financial Advisor

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Alexander R. Suero is a Financial Advisor at Morgan Stanley. He focuses on helping clients build and preserve their wealth and financial security to support themselves, their family, and share with those less fortunate. Throughout his career, Alexander has garnered a number of professional accolades including the Certified Investment Management Analyst® (CIMA®) designation bestowed by the Investment Management Consultants Association through the University of Pennsylvania's Wharton School of Business. This is recognized in the industry as one of the highest standards in consulting expertise. Alexander is a graduate of Pennsylvania State University's Smeal College of Business in University Park, PA. His professional associations include membership in the Investment Management Consultants Association (IMCA). Originally from Bryn Mawr, PA, he currently resides in New York with his wife Lauren and their daughter. He is an active member of the Leukemia & Lymphoma Society and the Penn State Alumni Association. In his spare time he enjoys being with family, playing squash and golf, and is a baseball enthusiast.



Financial Advisor Associate

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Desmond Djekovic is a Financial Advisor Associate at Morgan Stanley Private Wealth Management. Desmond primarily helps The Apollo Group with business development. He graduated Cum Laude with a BS in Finance, a minor in Economics, and a concentration in Value Investing from Fordham University's Gabelli School of Business. Desmond currently resides in Rockland County, New York.

DISCLAIMERS

Source: Barron's "Top 1,200 Advisors," March 7, 2016, as identified by Barron's magazine, using quantitative and qualitative criteria and selected from a pool of over 4,000 nominations. Advisors in the Top 1,200 Financial Advisors have a minimum of seven years of financial services experience. Qualitative factors include, but are not limited to, compliance record and philanthropic work. Investment performance is not a criterion. The rating may not be representative of any one client's experience and is not indicative of the financial advisor's future performance. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors pays a fee to Barron's in exchange for the rating. Barron's is a registered trademark of Dow Jones & Company, L.P. All rights reserved.

Source: The Financial Times Top 400 Financial Advisors is an independent listing produced by the Financial Times (March, 2016). The FT 400 is based in large part on data gathered from and verified by broker-dealer home offices, and, as identified by the FT, reflected each advisor's performance in six primary areas, including assets under management, asset growth, compliance record, experience, credentials and accessibility. The rating may not be representative of any one client's experience and is not indicative of the Financial Advisor's future performance. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors pays a fee to The Financial Times in exchange for the rating.

Source: REP. Magazine October, 2015. Advisors on the Top 100 Wirehouse Advisors list are ranked exclusively by assets under management custodied at the four wirehouse firms. Only advisors for whom 80 percent or more of assets corresponded to retail clients were eligible for the list. Assets under management are as of the end of the second quarter 2015. REP. magazine and WealthManagement.com do not receive any compensation from the financial advisors, participating firms, affiliates or the media in exchange for rankings.

Five Star Professional, as a third party research firm, identified pre-qualified award candidates based on industry data and contacted all identified broker dealers, Registered Investment Advisor firms and FINRA-registered representatives to gather wealth manager nominations. Self-nominations are not accepted. Award candidates are then evaluated against 10 objective eligibility and evaluation criteria associated with wealth managers who must have a minimum of five years' experience as an investment adviser representative or other accepted credentials, client retention rates, client assets administered, firm review and a favorable regulatory and complaint history as defined by Five Star. Five Star Professional determines the final list of Five Star Wealth Manager Award winners. The Award does not evaluate the quality of services furnished to clients and it is possible that the recipient may have received unfavorable ratings from those surveyed. Five Star Professional collected the information for this Award through surveys it conducted.

- Wealth managers and/or their firms do not pay a fee to be considered or placed on the final list of Five Star Wealth Managers.
- The Five Star award is not indicative of the wealth manager's future performance.
- Wealth managers may or may not use discretion in their practice and therefore may not manage their clients' assets.
- The inclusion of a wealth manager on the list should not be construed as an endorsement of the wealth manager by Five Star Professional.
- Working with a Five Star Wealth Manager or any wealth manager is no guarantee as to future investment success, nor is there any guarantee that the selected wealth managers will be awarded this accomplishment by Five Star Professional in the future.
- For more information on the Five Star award and the research/selection methodology, go to fivestarpromotional.com.

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Source: Forbes.com (Feb. 2018). America's Top Wealth Advisors: State-By-State ranking was developed by SHOOK Research and is based on in-person and telephone due diligence meetings and a ranking algorithm that includes: client retention, industry experience, review of compliance records, firm nominations; and quantitative criteria, including: assets under management and revenue generated for their firms..... Investment performance is not a criterion because client objectives and risk tolerances vary, and advisors rarely have audited performance reports. Rankings are based on the opinions of SHOOK Research, LLC and are not indicative of future performance or representative of any one client's experience. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors pay a fee to Forbes or SHOOK Research in exchange for the ranking. For more information: www.SHOOKResearch.com.

DISCLAIMERS CONTINUED

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 committed or demand 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. The proceeds from a Tailored Lending 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.

Important Risk Information for Securities Based Lending: Borrowing against securities may not be suitable for everyone. You should be aware that there are risks associated with a securities based loan, including possible margin calls on short notice, and that market conditions can magnify any potential for loss. 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; and (6) Morgan Stanley reserves the right to call securities based loans at any time and for any reason.

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

Residential mortgage loans/home equity lines of credit are offered by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC. With the exception of the pledged-asset feature, an investment relationship with Morgan Stanley Smith Barney LLC does not have to be established or maintained to obtain the residential mortgage products offered by Morgan Stanley Private Bank, National Association. All residential mortgage loans/home equity lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association. Rates, terms, and programs are subject to change without notice. Residential mortgage loans/home equity lines of credit may not be available in all states; not available in Guam, Puerto Rico and the U.S. Virgin Islands. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association is an Equal Housing Lender and Member FDIC that is primarily regulated by the Office of the Comptroller of the Currency. Nationwide Mortgage Licensing System Unique Identifier #663185. 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

Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors or Private Wealth Advisors do not provide tax or legal advice. Clients should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning and other legal matters.

Morgan Stanley Smith Barney LLC does not accept appointments nor will it act as a trustee but it will provide access to trust services through an appropriate third-party corporate trustee.

The investments listed may not be suitable for all investors. Morgan Stanley Smith Barney LLC recommends that investors independently evaluate particular investments, and encourages investors to seek the advice of a financial advisor. The appropriateness of a particular investment will depend upon an investor's individual circumstances and objectives.

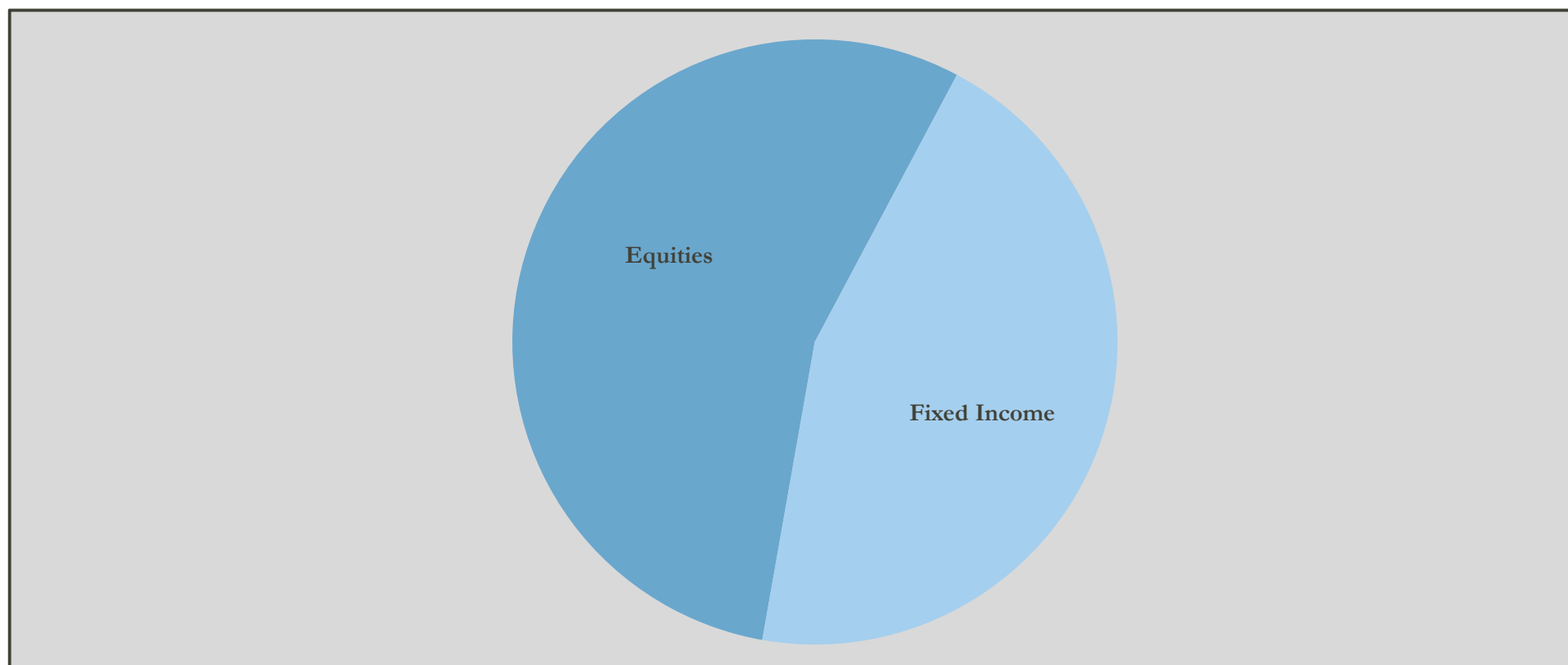
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RECOMMENDED ASSET ALLOCATION

RECOMMENDED OVERALL ALLOCATION

Asset Class Breakdown

By Overall Asset Class

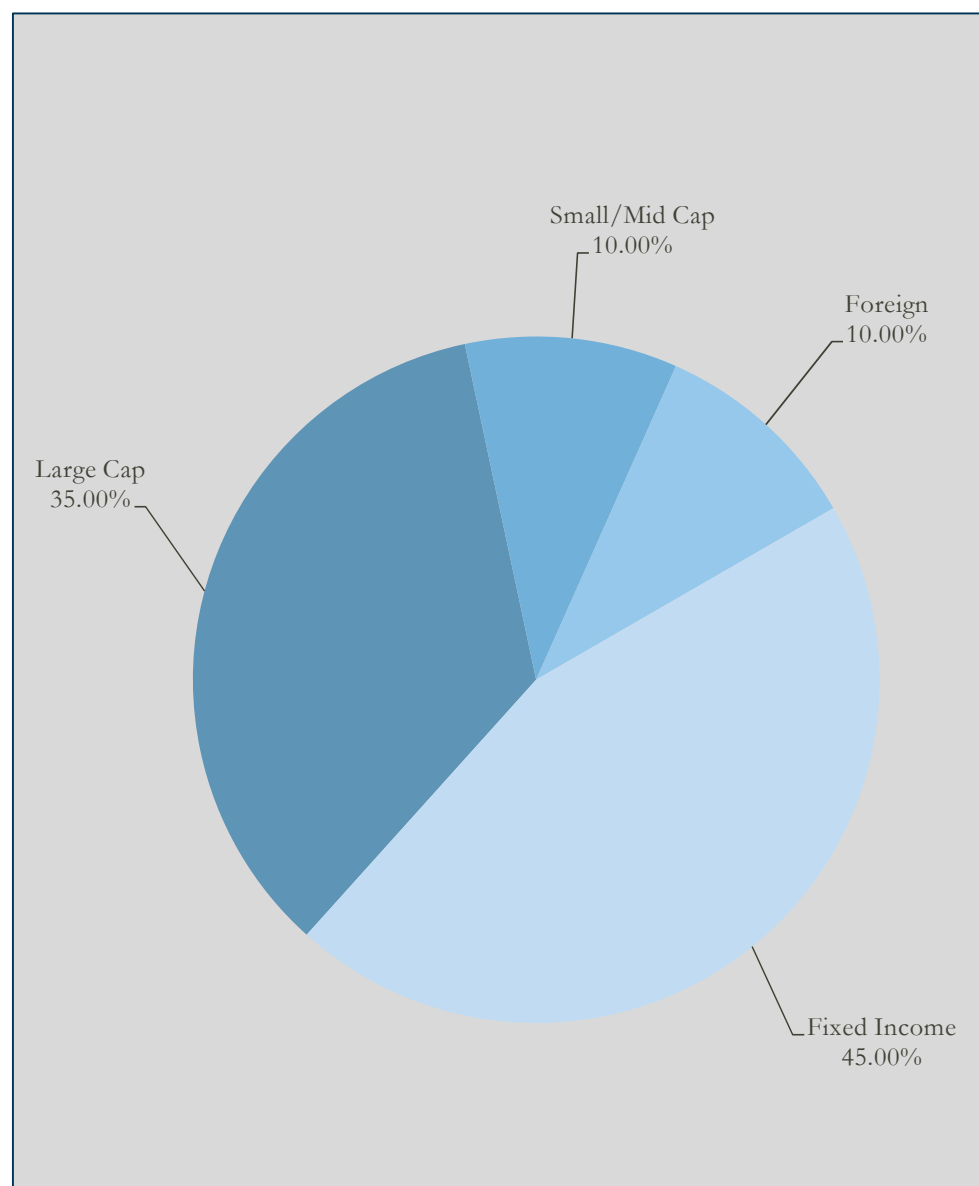


Equities	55.00%
Domestic Large Cap	35.00%
Domestic Small/Mid Cap	10.00%
Foreign Markets	10.00%

Fixed Income	45.00%
Municipal Fixed Income	45.00%

RECOMMENDED INVESTMENTS

Large Cap U.S. Equities (35.0%)	
Aristotle Capital Management Value Equity	Separately Managed Account
Prudential Jennison Large Cap Growth	Separately Managed Account
John Hancock Large Cap Core	Separately Managed Account
Vanguard Value (VTV)	ETF
Vanguard Growth (VUG)	ETF
Small/Mid-Cap U.S. Equities (10.0%)	
Chartwell Mid-Cap Value	Separately Managed Account
DF Dent and Company Mid-Cap Growth	Separately Managed Account
Kayne Anderson Rudnick Small Cap Value	Separately Managed Account
Henderson Geneva Small Cap Growth	Separately Managed Account
Vanguard Mid-Cap (VO)	ETF
Vanguard Small Cap (VB)	ETF
Foreign Equities (10.0%)	
Duff & Phelps International Equity	Separately Managed Account
ClearBridge International Growth	Separately Managed Account
Vanguard FTSE Developed Markets ETF (VEA)	ETF
Lazard Emerging Markets	Separately Managed Account
Vanguard FTSE Emerging Markets ETF (VWO)	ETF
Municipal Fixed Income (45.0%)	
Nuveen Intermediate Municipal	Separately Managed Account



MANAGERS - PROFILES AND PERFORMANCE

Strategy Description

Aristotle employs a value-oriented investment strategy that seeks to provide competitive returns in strong markets and outperform in difficult market environments. Aristotle looks for higher quality companies selling at attractive prices with positive catalysts that Aristotle expects to positively impact share prices.

Thomas Hagen

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Trailing Returns

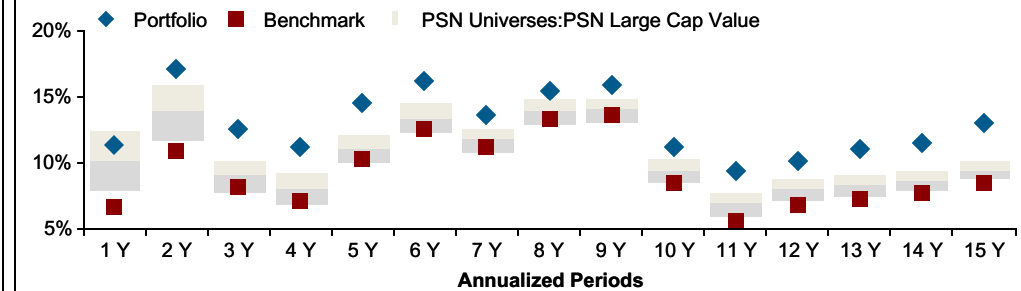
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
Aristotle Capital Management Value Equity (Gross)	1.60%	0.91%	11.43%	12.61%	14.65%	13.72%	11.35%	22.43%	17.79%	3.56%	11.65%	30.81%	22.10%
Aristotle Capital Management Value Equity (Net)	0.88%	-0.48%	8.37%	9.52%	11.47%	10.57%	8.26%	19.06%	14.55%	0.69%	8.46%	27.28%	18.69%
Russell 1000 Value	1.18%	-1.69%	6.77%	8.26%	10.34%	11.27%	8.49%	13.66%	17.34%	-3.83%	13.45%	32.53%	17.51%
Excess Return (Gross)	0.42%	2.60%	4.66%	4.35%	4.30%	2.45%	2.86%	8.77%	0.45%	7.39%	-1.80%	-1.72%	4.60%

Past Performance is no guarantee of future results. The source for all charts/tables is FactSet. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of the date of most recent quarter end unless otherwise noted. All data are subject to change.

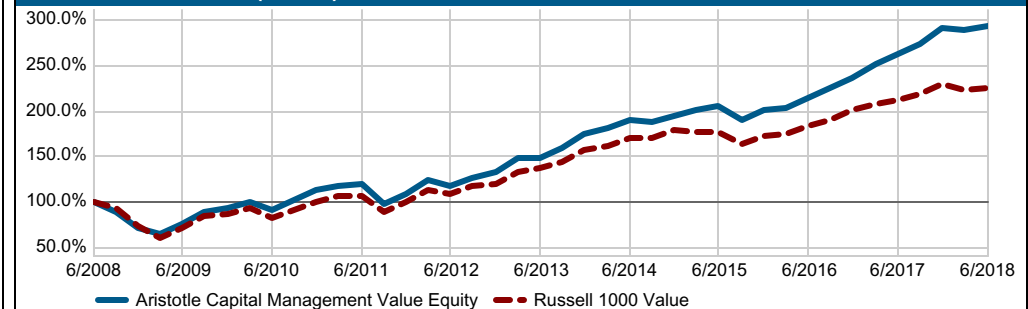
Performance Commentary

- The portfolio outperformed the Russell 1000 Value for the quarter. Stock selection was positive and sector positioning was negative.
- The top contributing sectors were Information Technology, Consumer Staples, and Utilities. The top detracting sectors were Energy, Industrials, and Real Estate. From an industry perspective, Software, IT Services, and Specialty Retail added value, while Oil Gas & Consumable Fuels, Banks, and Aerospace & Defense detracted.
- Within the portfolio, companies with a price/earnings greater than 20.0x contributed to returns while companies with a price/earnings between 12.0x and 16.0x detracted. And finally, companies with moderate beta tended to do better than companies with low beta during the quarter.

Peer Group Analysis (Returns)



Investment Growth - (Gross)



INVESTMENT PRODUCTS: NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

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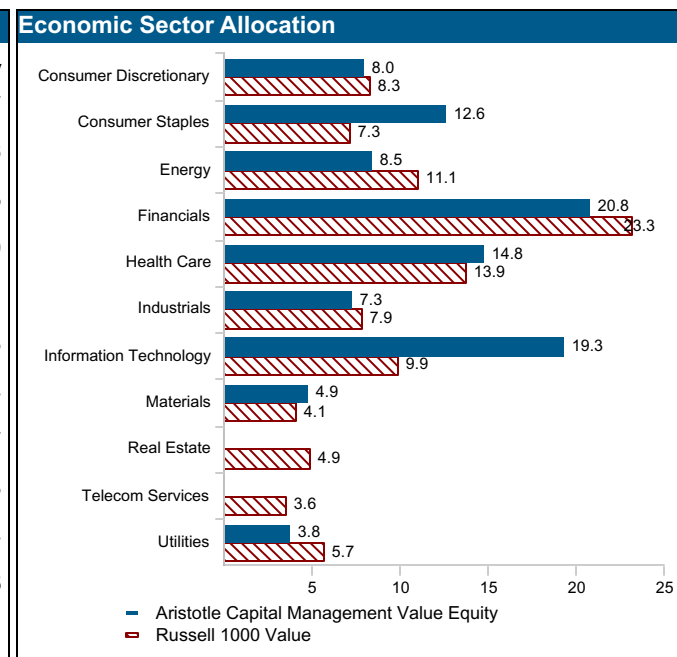
Please use this report in tandem with the associated Manager Profile which contains additional information about this strategy.

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

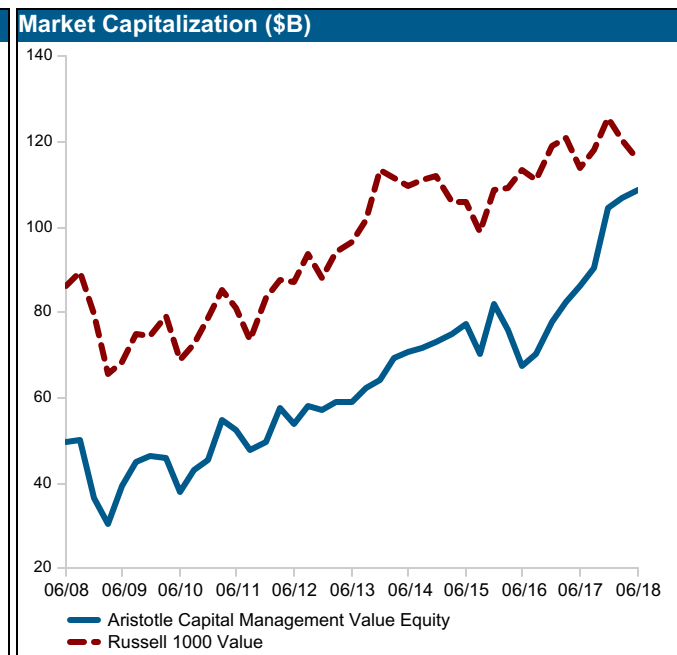
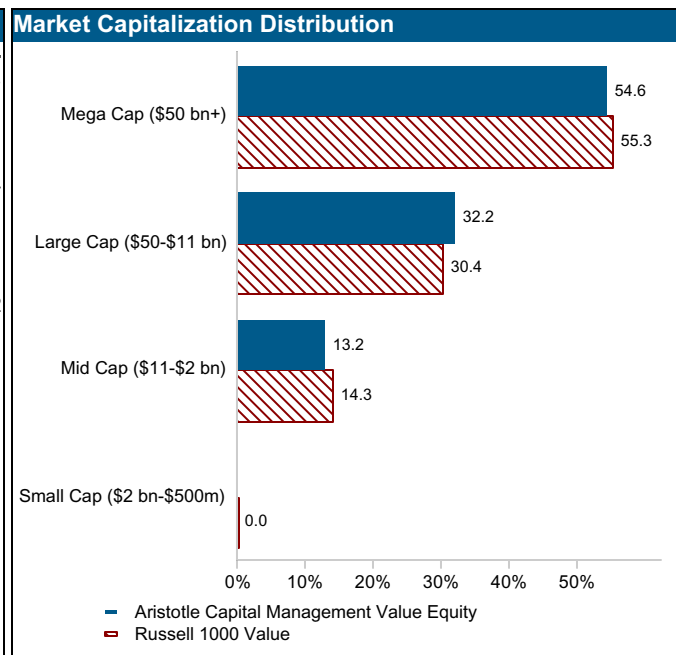
Portfolio Characteristics	Strategy	Bmk
# of Securities	42	729
Market Cap (\$M)	70,747	50,848
P/E - Trailing 12-Mo.	18.0	12.3
Adj. P/E - trailing 12-Mo.	16.9	11.7
P/E - Forecast FY1*	14.6	12.8
Price-to- Book	1.9	1.8
Return on Equity	13.8	15.2
EPS Growth - Forecast*	10.8	10.4
EPS Growth - Hist. 5 Year	10.9	2.2
Active Share	95.60	--

Top 10 Holdings	% of Equity
Adobe Systems Incorporated	4.77
Microsoft Corporation	4.36
Home Depot, Inc.	4.05
ANSYS, Inc.	3.70
Bank of America Corp	3.51
Microchip Technology Incorporated	3.33
Phillips 66	3.24
PayPal Holdings Inc	3.17
Amgen Inc.	2.98
Medtronic plc	2.84
Total	35.95



*Forecasts based on analysts' consensus

Quarterly Performance	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
3Q 2015	-7.30	-7.95	-8.39	1.09
4Q 2015	5.86	5.16	5.64	0.22
1Q 2016	1.10	0.34	1.64	-0.54
2Q 2016	4.86	4.17	4.58	0.28
3Q 2016	5.16	4.48	3.48	1.68
4Q 2016	5.66	4.89	6.68	-1.02
1Q 2017	6.60	5.86	3.27	3.33
2Q 2017	4.01	3.28	1.34	2.67
3Q 2017	4.30	3.57	3.11	1.19
4Q 2017	5.87	5.14	5.33	0.54
1Q 2018	-0.68	-1.35	-2.83	2.15
2Q 2018	1.60	0.88	1.18	0.42



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-0.37	0.08	-0.07	0.01
Consumer Staples	5.36	-0.24	0.79	0.55
Energy	-2.64	-0.39	-0.29	-0.68
Financials	-2.45	0.21	-0.34	-0.13
Health Care	0.96	0.00	0.00	0.00
Industrials	-0.55	0.01	-0.59	-0.58
Information Technology	9.45	-0.21	1.77	1.56
Materials	0.75	0.05	-0.07	-0.02
Real Estate	-4.91	-0.33	--	-0.33
Telecommunication Services	-3.63	0.10	--	0.10
Utilities	-1.97	-0.05	0.21	0.16
Total	--	-0.77	1.40	0.63

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-0.37	0.09	-0.23	-0.14
Consumer Staples	5.36	-0.47	1.36	0.89
Energy	-2.64	-0.29	-0.31	-0.60
Financials	-2.45	0.14	-0.56	-0.42
Health Care	0.96	-0.01	0.71	0.70
Industrials	-0.55	0.02	-0.62	-0.61
Information Technology	9.45	0.57	2.39	2.97
Materials	0.75	-0.03	-0.18	-0.21
Real Estate	-4.91	-0.12	--	-0.12
Telecommunication Services	-3.63	0.24	--	0.24
Utilities	-1.97	-0.04	0.30	0.26
Total	--	0.01	2.86	2.87

Top Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Adobe Systems Incorporate...	4.77	0.59	Information Technology	18.90	1.58
Phillips 66	3.21	0.52	Energy	8.40	0.84
ANSYS, Inc.	3.50	0.37	Health Care	14.70	0.36
Home Depot, Inc.	3.85	0.36	Utilities	3.53	0.35
Microsoft Corporation	4.25	0.35	Consumer Staples	12.20	0.28

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Adobe Systems Incorporate...	4.72	1.55	Information Technology	18.48	3.18
Microsoft Corporation	4.08	0.60	Health Care	14.64	0.65
ANSYS, Inc.	3.39	0.53	Energy	8.01	0.42
Phillips 66	2.96	0.41	Utilities	3.40	0.35
Acadia Healthcare Company...	1.66	0.37	Consumer Discretionary	6.80	-0.14

Bottom Contributors to Performance

Current Quarter

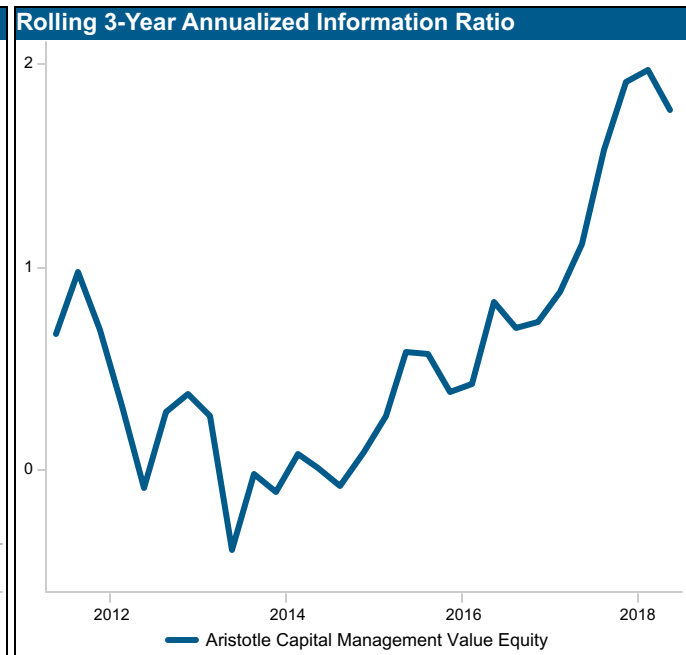
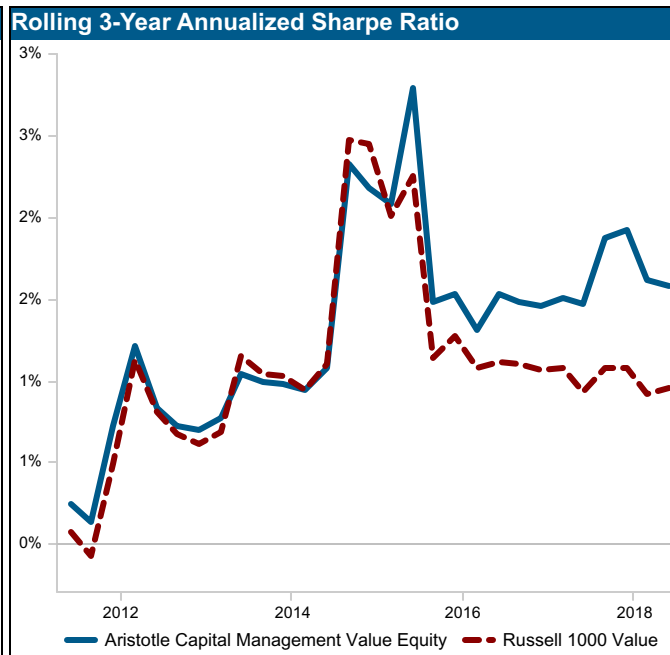
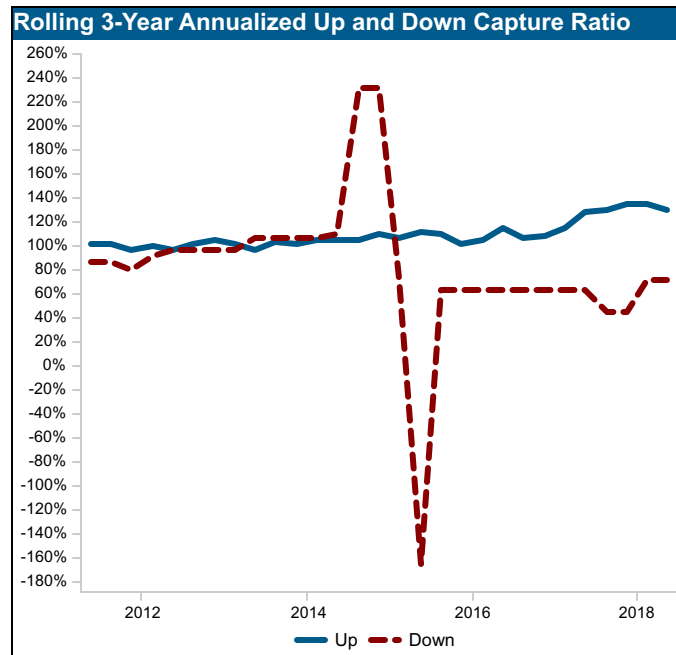
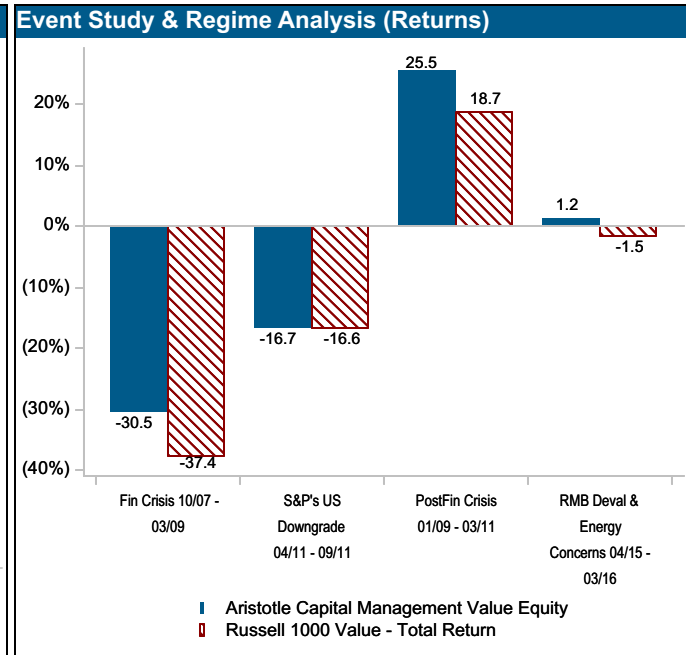
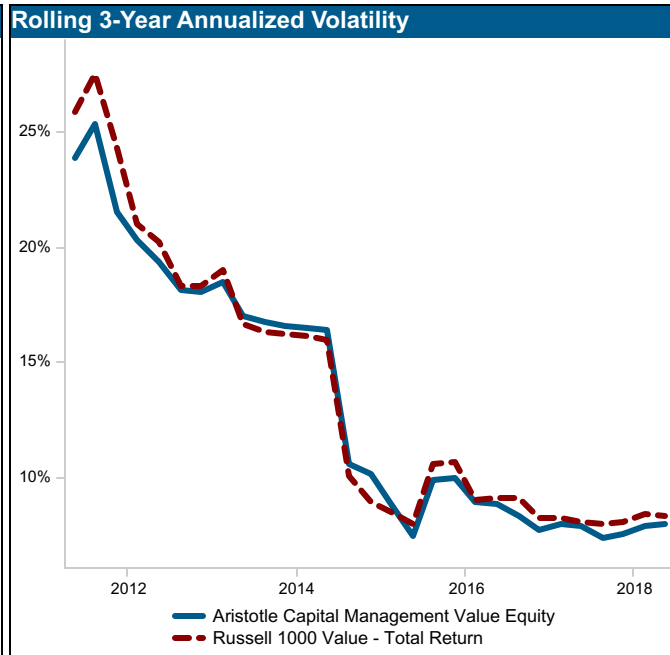
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
General Dynamics Corporat...	2.79	-0.46	Financials	21.79	-1.08
Lennar Corporation Class...	2.36	-0.28	Industrials	7.78	-0.80
Oshkosh Corp	2.74	-0.25	Materials	5.55	0.07
Mitsubishi UFJ Financial...	1.44	-0.22	Consumer Discretionary	7.15	0.20
Banco Bilbao Vizcaya Arge...	2.22	-0.21	Consumer Staples	12.20	0.28

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Oshkosh Corp	2.89	-0.70	Financials	22.08	-1.57
Ameriprise Financial, Inc...	2.92	-0.54	Industrials	8.05	-1.20
Lennar Corporation Class...	2.49	-0.41	Materials	6.33	-0.37
Banco Bilbao Vizcaya Arge...	2.34	-0.39	Consumer Discretionary	6.80	-0.14
Walgreens Boots Alliance...	2.03	-0.36	Consumer Staples	12.21	-0.14

Portfolio Performance and Risk Statistics (NAV)

	3-Year	5-Year
Alpha	4.9%	5.6%
Beta	0.9	0.8
R2	90.5%	80.1%
Tracking Error	2.6%	3.5%
Information Ratio	1.8	1.3
Batting Average	83.3%	70.0%
Up Capture Ratio	129.5%	130.9%
Down Capture Ratio	72.2%	55.4%
Standard Deviation	7.9	7.4
Standard Deviation (Bmk)	8.3	7.8
Sharpe Ratio	1.6	2.0



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.

ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.

Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.

Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.

Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation - a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.

Duration - quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.

EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.

Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Market Cap (\$M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.

Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.

Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.

P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Peer Group Analysis - using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile.

Price-to-Book - price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Quality - Based upon per-share earnings and dividend records of the most recent 10 years, this ranking system attempts to capture the growth and stability of earnings and dividends for individual stocks. For a portfolio, the quality ranking is a weighted average. The quality rankings classification is as follows: A+ (highest), A (high), A- (above avg.), B+ (average), B (below avg.), B- (lower), C (lowest), D (in reorganization), and LIQ (liquidation).

R-Squared (R²) - represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R² is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R² percentages.

Return on Equity (ROE) - is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Rolling Annualized Performance - measures the consistency of a portfolio's performance. For example, with three-year annualized returns rolled annually, the return shown for a given period is actually an annualized return for a particular year and the previous two years. Since performance is assessed over longer periods, the returns rolled annually give a better indication of trends.

Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.

Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Total Effect - is the sum of all effects.

Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

Depending on the composition of your account and your investment objectives any indices shown in this report may not be an appropriate measure for comparison purposes and are presented for illustration only. The strategy shown in this report does not necessarily seek to track the index, is not restricted to securities in the index and may be more volatile than the index. The benchmark below may differ from the benchmark assigned by the manager, please refer to the GIMA manager report for more details.

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

Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Important Disclosures

REPORT FOR USE ONLY IN INVESTMENT ADVISORY PROGRAMS

This report is only to be used in Morgan Stanley Smith Barney LLC ("Morgan Stanley") investment advisory programs and not in connection with brokerage accounts.

THE GLOBAL INVESTMENT MANAGER ANALYSIS (GIMA) SERVICES ONLY APPLY TO CERTAIN INVESTMENT ADVISORY PROGRAMS

Global Investment Manager Analysis (GIMA) evaluates certain investment products for the purposes of some - but not all - of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley). If you do not invest through one of these investment advisory programs, Morgan Stanley is not obligated to provide you notice of any GIMA status changes even though it may give notice to clients in other programs.

FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. 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 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 or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.

Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "GIMA At A Glance."

NO OBLIGATION TO UPDATE

Morgan Stanley has no obligation to update you when any information or opinion in this report changes.

STRATEGY MAY BE AVAILABLE AS A SEPARATELY MANAGED ACCOUNT OR MUTUAL FUND

Strategies are sometimes available in Morgan Stanley investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program.

CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

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 report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Net performance information

Net performance results reflect a deduction from the gross performance of three components: 0.625% maximum quarterly (2.5% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time.

The maximum total annual fee chargeable in a Morgan Stanley investment advisory program is generally no more than 3%. If you invest through a program in which your program fee is higher than 3%, then the net results would be lower.

Please see the Select UMA Manager Profile for this investment manager and strategy, for more details on the SMA Manager Fee for this strategy and performance and other information. The Profiles are available from your Financial Advisor and at www.morganstanley.com/ADV. Also, if you select this manager for your account, check the SMA Manager Fees specified in the written confirmation you receive when you open your investment advisory account, in case these have changed since you received the Select UMA Manager Profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Economic Sector Allocations and 10 Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. 10 Largest Holdings lists indicate the largest security holdings in the portfolio, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the fund's investment manager, Morgan Stanley or a third party service provider.

Important Disclosures

SOURCES OF DATA

Material in this report 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.

ASSET CLASS AND OTHER RISKS

Investing in **stocks**, **mutual funds** and **exchange-traded funds ("ETFs")** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios 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 those that diversify among a broad range of sectors.

Value and **growth investing** also carry risks. 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.

International Securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in **emerging markets**.

Small- and mid- capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Ultra-short bond funds generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Real estate investments:** property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be suitable for all investors. There is the possibility of early return of principal due to mortgage prepayments, which can reduce expected yield and result in reinvestment risk. Conversely, return of principal may be slower than initial prepayment speed assumptions, extending the average life of the security up to its listed maturity date (also referred to as extension risk). Additionally, the underlying collateral supporting MBS may default on principal and interest payments. Investments in subordinated MBS involve greater credit risk of default than the senior classes of the same issue.

MBS are also sensitive to interest rate changes which can negatively impact the market value of the security. During times of heightened volatility, MBS can experience greater levels of illiquidity and larger price movements.

Commodities: The commodities markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

Alternative/hedged strategies may use various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative/hedged strategies are not appropriate for all investors. A short sales strategy includes the risk of loss due to an increase in the market value of borrowed securities. Such a strategy may be combined with purchasing long positions in an attempt to improve portfolio performance. A short sales strategy may result in greater losses or lower positive returns than if the portfolio held only long positions, and the portfolio's loss on a short sale is potentially unlimited. The use of leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company. A decrease in the credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In a liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders.

MLPs involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs. The potential return of MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the portfolio's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment.

The current yield of **preferred securities** is calculated by multiplying the coupon by par value divided by the market price. The majority of \$25 and \$1000 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. The initial rate on a floating rate or index-linked preferred security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating/linked index. However, there can be no assurance that these increases will occur.

Convertible securities are convertible to equity at the option of the holder. The market value of the securities, and the underlying common stock into which they are convertible, will fluctuate. In particular, securities whose value depends on the performance of an underlying security entail potentially higher volatility and risk of loss compared to traditional bond investments. You should be aware that the market value of convertible bonds may not correspond directly to increases or decreases in the underlying stock.

NO TAX ADVICE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth 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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

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Jennison Large Cap Growth

Status: Focus List

Investment Style: US Large Cap Growth

Benchmark: Russell 1000 Growth

June 30, 2018 (Q2)

Strategy Description

Jennison utilizes a bottom-up, research-intensive investment philosophy that seeks to identify companies, which possess above-market growth in units, revenues, cash flow and earnings over a 1-3 year time horizon. Jennison's research efforts attempt to discover companies that are at an acceleration or inflection point in their growth rate that is not fully reflected in the price of the stock.

Bill Bridge

Morgan Stanley Wealth Management
Bill.Bridge@morganstanley.com
212-296-1177

Trailing Returns

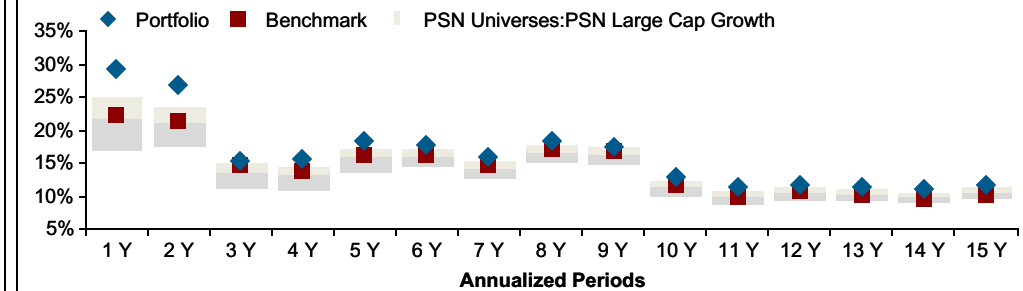
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
Jennison Large Cap Growth (Gross)	6.67%	11.37%	29.30%	15.49%	18.61%	15.95%	13.14%	36.10%	-1.19%	12.42%	10.98%	38.71%	16.46%
Jennison Large Cap Growth (Net)	5.92%	9.88%	25.85%	12.35%	15.37%	12.78%	10.04%	32.45%	-3.99%	9.39%	7.88%	35.00%	13.21%
Russell 1000 Growth	5.76%	7.25%	22.51%	14.98%	16.36%	14.88%	11.83%	30.21%	7.08%	5.67%	13.05%	33.48%	15.26%
Excess Return (Gross)	0.91%	4.12%	6.79%	0.51%	2.25%	1.07%	1.32%	5.89%	-8.27%	6.76%	-2.07%	5.22%	1.20%

Past Performance is no guarantee of future results. The source for all charts/tables is FactSet. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of the date of most recent quarter end unless otherwise noted. All data are subject to change.

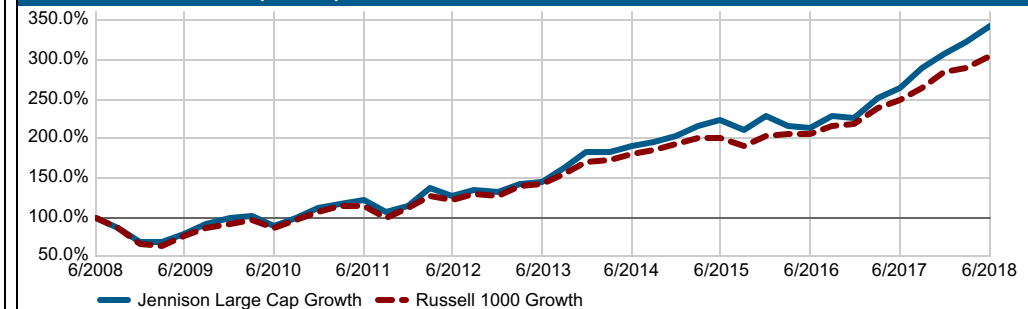
Performance Commentary

- The portfolio outperformed the Russell 1000 Growth for the quarter. Stock selection was positive and sector positioning was positive.
- The top contributing sectors were Consumer Discretionary, Industrials, and Consumer Staples. The top detracting sectors were Financials, Energy, and Information Technology. From an industry perspective, Internet & Direct Marketing Retail, IT Services, and Textiles Apparel & Luxury Goods added value, while Internet Software & Services, Banks, and Pharmaceuticals detracted.
- Within the portfolio, companies with a price/earnings greater than 20.0x contributed to returns while companies with a price/earnings between 12.0x and 16.0x detracted. And finally, companies with high beta tended to do better than companies with moderate beta during the quarter.

Peer Group Analysis (Returns)



Investment Growth - (Gross)



INVESTMENT PRODUCTS: NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

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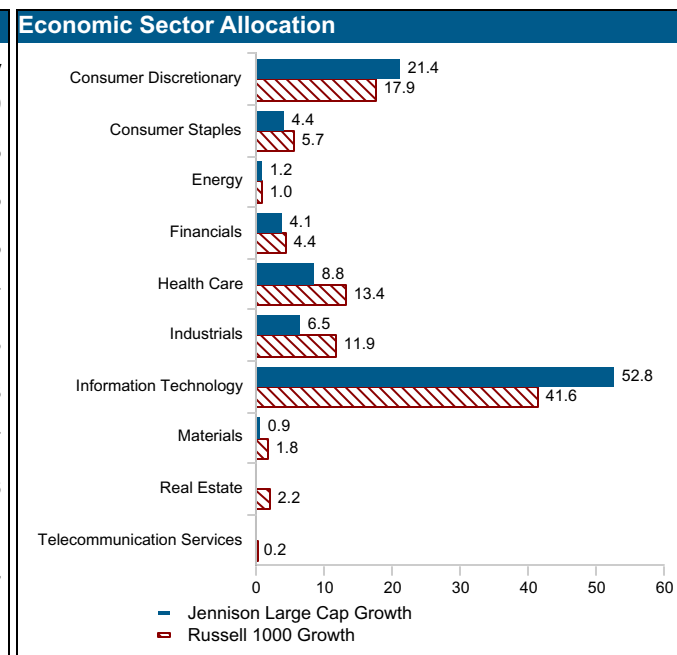
Please use this report in tandem with the associated Manager Profile which contains additional information about this strategy.

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

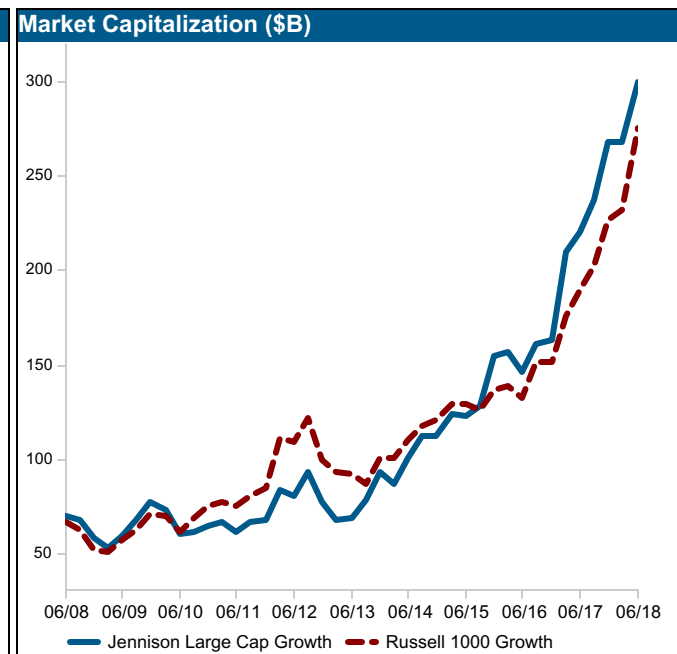
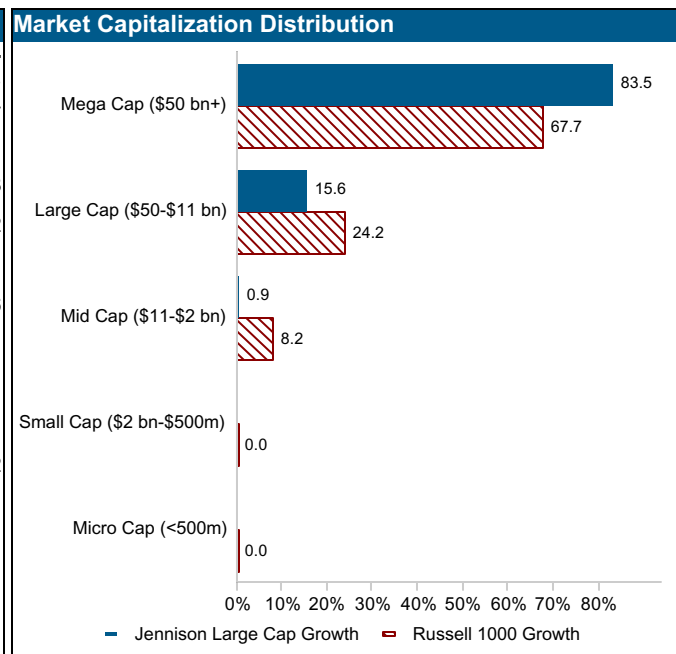
Portfolio Characteristics	Strategy	Bmk
# of Securities	50	542
Market Cap (\$M)	300,129	275,542
P/E - Trailing 12-Mo.	34.8	28.4
Adj. P/E - trailing 12-Mo.	29.5	25.2
P/E - Forecast FY1*	26.4	21.5
Price-to- Book	6.9	7.1
Return on Equity	19.1	24.3
EPS Growth - Forecast*	22.5	16.9
EPS Growth - Hist. 5 Year	19.2	14.3
Active Share	57.02	--

Top 10 Holdings	% of Equity
Amazon.com, Inc.	6.80
Alibaba Group Holding Ltd. Sponsored ADR	4.45
Netflix, Inc.	4.35
Microsoft Corporation	4.25
Facebook, Inc. Class A	3.97
Mastercard Incorporated Class A	3.93
Tencent Holdings Ltd. Un-sponsored ADR	3.48
Apple Inc.	3.37
Visa Inc. Class A	3.36
salesforce.com, inc.	3.21
Total	41.17



*Forecasts based on analysts' consensus

Quarterly Performance	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
3Q 2015	-5.43	-6.07	-5.29	-0.14
4Q 2015	8.75	8.05	7.32	1.43
1Q 2016	-5.74	-6.46	0.74	-6.48
2Q 2016	-1.41	-2.11	0.61	-2.02
3Q 2016	7.78	7.06	4.58	3.20
4Q 2016	-1.35	-2.06	1.01	-2.36
1Q 2017	10.63	9.88	8.91	1.72
2Q 2017	5.97	5.24	4.67	1.30
3Q 2017	8.66	7.93	5.90	2.76
4Q 2017	6.84	6.12	7.86	-1.02
1Q 2018	4.41	3.74	1.42	2.99
2Q 2018	6.67	5.92	5.76	0.91



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	3.52	0.09	1.26	1.35
Consumer Staples	-1.33	0.08	-0.01	0.08
Energy	0.15	0.01	-0.27	-0.25
Financials	-0.37	-0.07	-0.40	-0.47
Health Care	-4.62	0.03	-0.04	-0.02
Industrials	-5.35	0.40	0.08	0.47
Information Technology	11.23	0.35	-0.41	-0.06
Materials	-0.92	0.08	-0.02	0.06
Real Estate	-2.16	0.03	0.00	0.03
Telecommunication Services	-0.15	0.02	--	0.02
Utilities	--	-0.00	--	-0.00
Total	--	1.01	0.19	1.20

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	3.52	0.12	2.63	2.75
Consumer Staples	-1.33	0.19	0.40	0.59
Energy	0.15	-0.10	-0.22	-0.32
Financials	-0.37	-0.01	-0.55	-0.55
Health Care	-4.62	0.10	-0.12	-0.02
Industrials	-5.35	0.48	-0.05	0.43
Information Technology	11.23	0.63	0.83	1.46
Materials	-0.92	0.26	-0.30	-0.04
Real Estate	-2.16	0.13	0.00	0.14
Telecommunication Services	-0.15	0.13	--	0.13
Utilities	--	0.01	--	0.01
Total	--	1.86	2.64	4.50

Top Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Netflix, Inc.	4.65	1.37	Information Technology	51.75	3.99
Amazon.com, Inc.	6.31	1.03	Consumer Discretionary	21.30	3.24
Facebook, Inc. Class A	3.62	0.71	Health Care	8.17	0.37
salesforce.com, inc.	3.06	0.50	Materials	0.80	-0.00
Mastercard Incorporated C...	3.74	0.45	Real Estate	0.01	0.00

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Netflix, Inc.	4.26	2.91	Information Technology	51.02	7.26
Amazon.com, Inc.	6.02	2.18	Consumer Discretionary	20.74	5.35
Mastercard Incorporated C...	3.63	1.00	Health Care	8.95	0.30
Adobe Systems Incorporate...	2.87	0.99	Consumer Staples	4.77	0.08
salesforce.com, inc.	2.86	0.86	Real Estate	0.04	-0.02

Bottom Contributors to Performance

Current Quarter

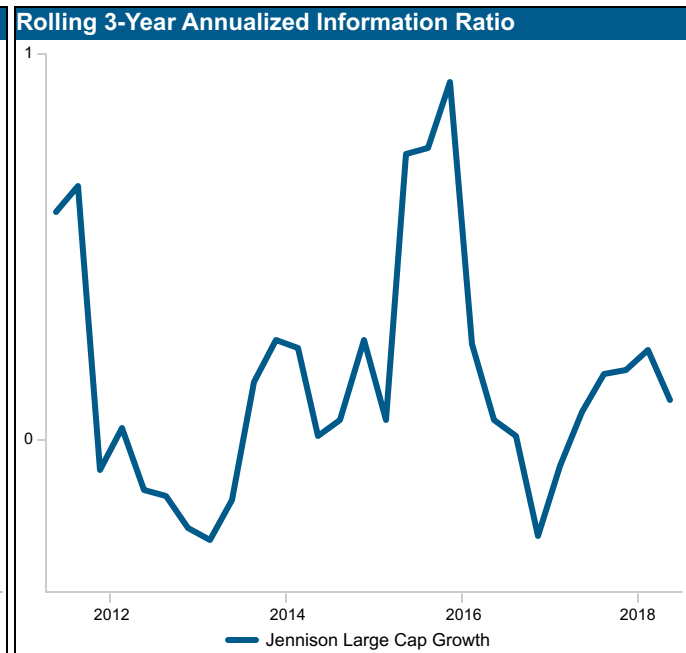
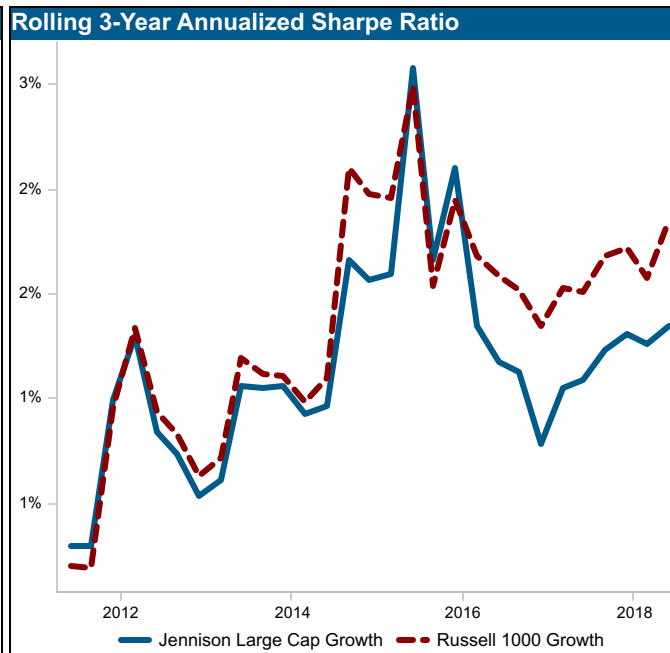
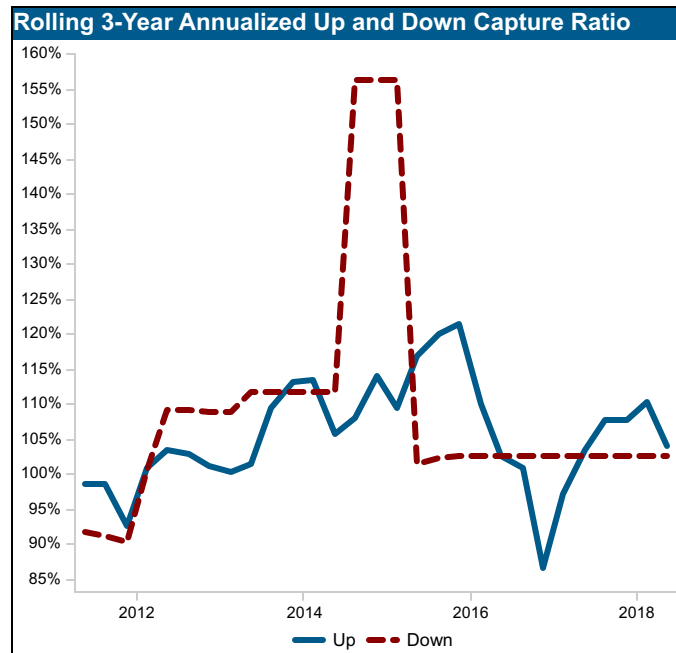
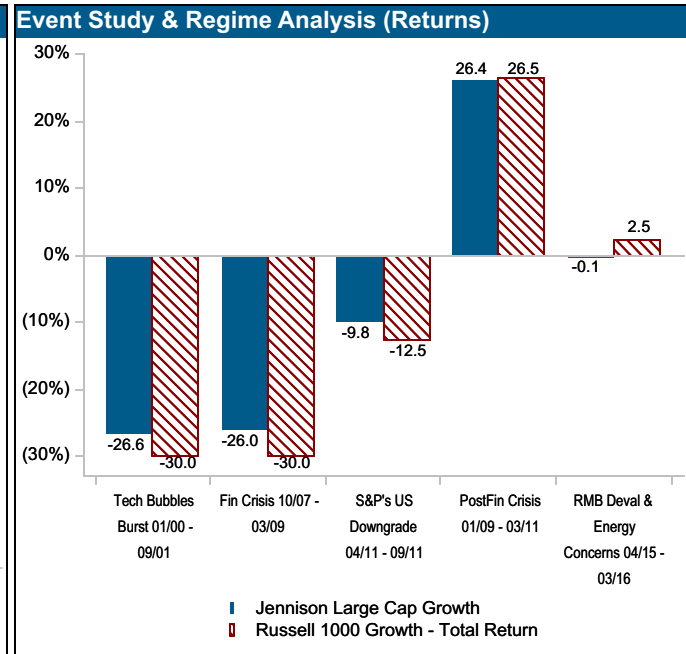
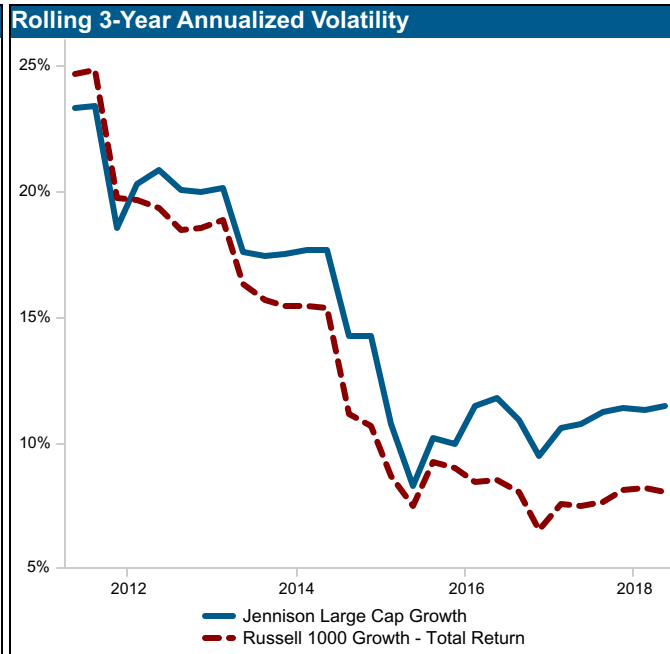
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Bristol-Myers Squibb Comp...	0.99	-0.29	Financials	4.69	-0.39
Goldman Sachs Group, Inc.	1.56	-0.20	Energy	1.36	-0.13
Charter Communications, I...	0.60	-0.19	Industrials	7.50	-0.11
Tencent Holdings Ltd. Uns...	3.40	-0.14	Consumer Staples	4.44	-0.01
Concho Resources Inc.	1.36	-0.13	Materials	0.80	-0.00

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Albemarle Corporation	0.91	-0.32	Financials	4.57	-0.38
Celgene Corporation	0.87	-0.30	Materials	0.91	-0.32
Charter Communications, I...	1.01	-0.29	Energy	1.56	-0.26
Parker-Hannifin Corporati...	1.29	-0.29	Industrials	7.45	-0.24
Tencent Holdings Ltd. Uns...	2.89	-0.27	Real Estate	0.04	-0.02

Portfolio Performance and Risk Statistics (NAV)

Risk Statistics vs. Benchmark	3-Year	5-Year
Alpha	-3.1%	-1.3%
Beta	1.3	1.2
R2	79.7%	79.9%
Tracking Error	5.6%	5.0%
Information Ratio	0.1	0.5
Batting Average	58.3%	60.0%
Up Capture Ratio	104.0%	118.4%
Down Capture Ratio	102.6%	102.6%
Standard Deviation	11.5	10.4
Standard Deviation (Bmk)	8.1	7.6
Sharpe Ratio	1.3	1.8



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.

ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.

Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.

Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.

Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation - a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.

Duration - quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.

EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.

Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Market Cap (\$M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.

Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.

Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.

P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Peer Group Analysis - using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile.

Price-to-Book - price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Quality - Based upon per-share earnings and dividend records of the most recent 10 years, this ranking system attempts to capture the growth and stability of earnings and dividends for individual stocks. For a portfolio, the quality ranking is a weighted average. The quality rankings classification is as follows: A+ (highest), A (high), A- (above avg.), B+ (average), B (below avg.), B- (lower), C (lowest), D (in reorganization), and LIQ (liquidation).

R-Squared (R²) - represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R² is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R² percentages.

Return on Equity (ROE) - is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Rolling Annualized Performance - measures the consistency of a portfolio's performance. For example, with three-year annualized returns rolled annually, the return shown for a given period is actually an annualized return for a particular year and the previous two years. Since performance is assessed over longer periods, the returns rolled annually give a better indication of trends.

Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.

Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Total Effect - is the sum of all effects.

Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

Depending on the composition of your account and your investment objectives any indices shown in this report may not be an appropriate measure for comparison purposes and are presented for illustration only. The strategy shown in this report does not necessarily seek to track the index, is not restricted to securities in the index and may be more volatile than the index. The benchmark below may differ from the benchmark assigned by the manager, please refer to the GIMA manager report for more details.

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

Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Important Disclosures

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Global Investment Manager Analysis (GIMA) evaluates certain investment products for the purposes of some - but not all - of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley). If you do not invest through one of these investment advisory programs, Morgan Stanley is not obligated to provide you notice of any GIMA status changes even though it may give notice to clients in other programs.

FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. 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 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 or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.

Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "GIMA At A Glance."

NO OBLIGATION TO UPDATE

Morgan Stanley has no obligation to update you when any information or opinion in this report changes.

STRATEGY MAY BE AVAILABLE AS A SEPARATELY MANAGED ACCOUNT OR MUTUAL FUND

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CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

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 report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Net performance information

Net performance results reflect a deduction from the gross performance of three components: 0.625% maximum quarterly (2.5% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time.

The maximum total annual fee chargeable in a Morgan Stanley investment advisory program is generally no more than 3%. If you invest through a program in which your program fee is higher than 3%, then the net results would be lower.

Please see the Select UMA Manager Profile for this investment manager and strategy, for more details on the SMA Manager Fee for this strategy and performance and other information. The Profiles are available from your Financial Advisor and at www.morganstanley.com/ADV. Also, if you select this manager for your account, check the SMA Manager Fees specified in the written confirmation you receive when you open your investment advisory account, in case these have changed since you received the Select UMA Manager Profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Economic Sector Allocations and 10 Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. 10 Largest Holdings lists indicate the largest security holdings in the portfolio, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the fund's investment manager, Morgan Stanley or a third party service provider.

Important Disclosures

SOURCES OF DATA

Material in this report 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.

ASSET CLASS AND OTHER RISKS

Investing in **stocks**, **mutual funds** and **exchange-traded funds ("ETFs")** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios 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 those that diversify among a broad range of sectors.

Value and **growth investing** also carry risks. 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.

International Securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in **emerging markets**.

Small- and mid- capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Ultra-short bond funds generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Real estate investments:** property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be suitable for all investors. There is the possibility of early return of principal due to mortgage prepayments, which can reduce expected yield and result in reinvestment risk. Conversely, return of principal may be slower than initial prepayment speed assumptions, extending the average life of the security up to its listed maturity date (also referred to as extension risk). Additionally, the underlying collateral supporting MBS may default on principal and interest payments. Investments in subordinated MBS involve greater credit risk of default than the senior classes of the same issue.

MBS are also sensitive to interest rate changes which can negatively impact the market value of the security. During times of heightened volatility, MBS can experience greater levels of illiquidity and larger price movements.

Commodities: The commodities markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

Alternative/hedged strategies may use various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative/hedged strategies are not appropriate for all investors. A short sales strategy includes the risk of loss due to an increase in the market value of borrowed securities. Such a strategy may be combined with purchasing long positions in an attempt to improve portfolio performance. A short sales strategy may result in greater losses or lower positive returns than if the portfolio held only long positions, and the portfolio's loss on a short sale is potentially unlimited. The use of leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company. A decrease in the credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In a liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders.

MLPs involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs. The potential return of MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the portfolio's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment.

The current yield of **preferred securities** is calculated by multiplying the coupon by par value divided by the market price. The majority of \$25 and \$1000 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. The initial rate on a floating rate or index-linked preferred security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating/linked index. However, there can be no assurance that these increases will occur.

Convertible securities are convertible to equity at the option of the holder. The market value of the securities, and the underlying common stock into which they are convertible, will fluctuate. In particular, securities whose value depends on the performance of an underlying security entail potentially higher volatility and risk of loss compared to traditional bond investments. You should be aware that the market value of convertible bonds may not correspond directly to increases or decreases in the underlying stock.

NO TAX ADVICE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth 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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

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Strategy Description

The bottom-up fundamental investment approach includes a seven-step process that seeks to identify higher-quality companies trading at attractive valuations. The valuation discipline is the primary guide for purchases and sales, where purchases are made at a 30% (or better) discount to intrinsic value. The PMs are also "macro aware," which may steer sector positioning.

Stephanie Mergenthaler

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Trailing Returns

	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
John Hancock Fundamental Large Cap Core (Gross)	2.57%	1.36%	10.72%	11.74%	13.66%	13.74%	12.66%	21.22%	10.91%	7.34%	9.13%	33.42%	21.08%
John Hancock Fundamental Large Cap Core (Net)	1.83%	-0.05%	7.65%	8.64%	10.49%	10.58%	9.52%	17.85%	7.78%	4.38%	6.01%	29.80%	17.71%
S&P 500	3.43%	2.65%	14.37%	11.93%	13.42%	13.23%	10.17%	21.83%	11.96%	1.38%	13.69%	32.39%	16.00%
Excess Return (Gross)	-0.86%	-1.29%	-3.66%	-0.19%	0.24%	0.51%	2.49%	-0.61%	-1.05%	5.95%	-4.56%	1.03%	5.07%

Past Performance is no guarantee of future results. The source for all charts/tables is FactSet. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of the date of most recent quarter end unless otherwise noted. All data are subject to change.

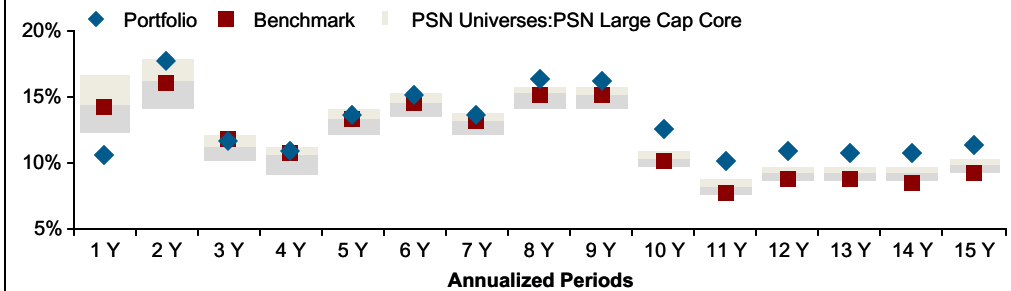
Performance Commentary

- The portfolio underperformed the S&P 500 for the quarter. Stock selection was negative and sector positioning was negative.

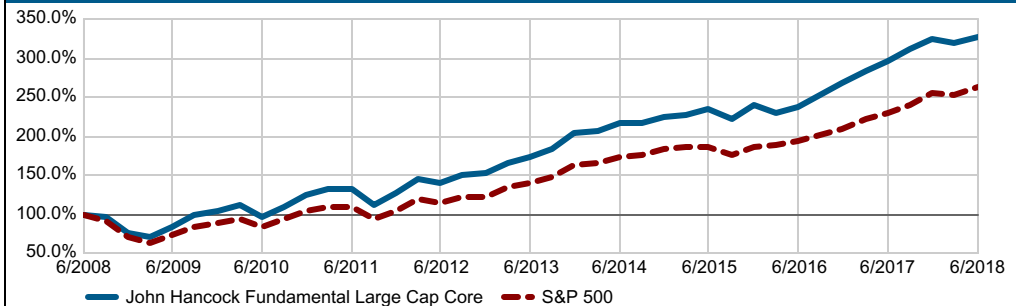
- The top contributing sectors were Consumer Discretionary, Industrials, and Consumer Staples. The top detracting sectors were Financials, Energy, and Health Care. From an industry perspective, Media, Internet & Direct Marketing Retail, and Technology Hardware Storage & Peripherals added value, while Capital Markets, Software, and Household Durables detracted.

- Within the portfolio, companies with a price/earnings greater than 20.0x contributed to returns while companies with a price/earnings between 12.0x and 16.0x detracted. And finally, companies with moderate beta tended to do better than companies with high beta during the quarter.

Peer Group Analysis (Returns)



Investment Growth - (Gross)



INVESTMENT PRODUCTS: NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

This report is only to be used in connection with investment advisory programs and not brokerage accounts.

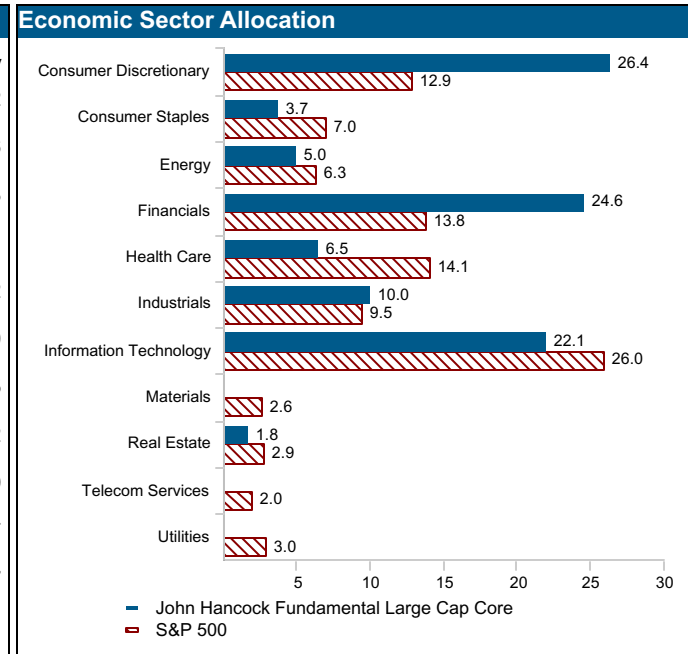
Please use this report in tandem with the associated Manager Profile which contains additional information about this strategy.

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

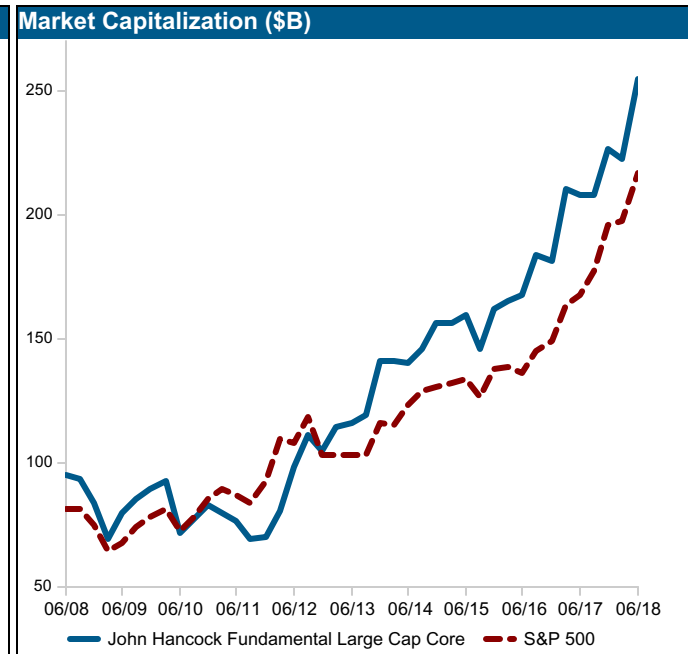
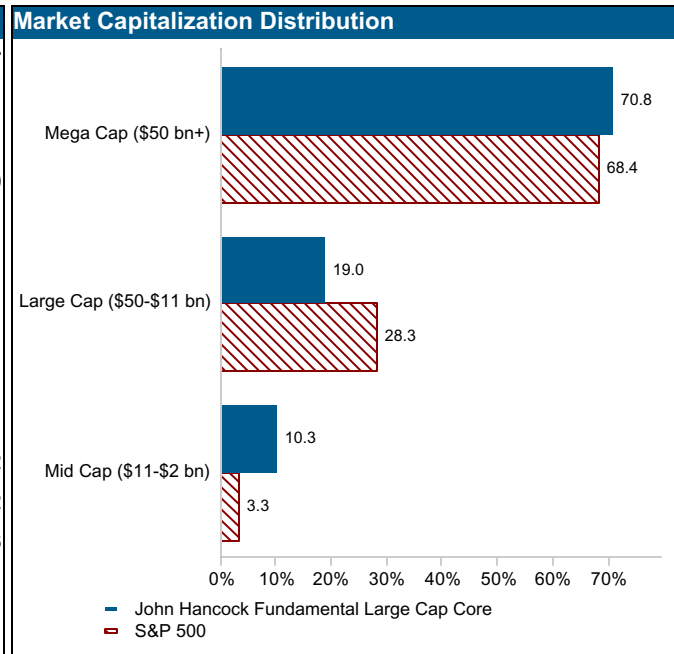
Portfolio Characteristics	Strategy	Bmk
# of Securities	42	505
Market Cap (\$M)	254,758	217,466
P/E - Trailing 12-Mo.	20.5	20.6
Adj. P/E - trailing 12-Mo.	18.1	18.5
P/E - Forecast FY1*	16.4	17.2
Price-to- Book	2.3	3.2
Return on Equity	11.2	19.6
EPS Growth - Forecast*	17.1	13.4
EPS Growth - Hist. 5 Year	14.4	9.9
Active Share	78.34	--

Top 10 Holdings	% of Equity
Amazon.com, Inc.	8.22
Apple Inc.	6.96
General Electric Company	6.23
Citigroup Inc.	4.91
Lennar Corporation Class A	4.22
Alphabet Inc. Class A	4.20
Bank of America Corp	4.15
Goldman Sachs Group, Inc.	4.02
Polaris Industries Inc.	3.59
Allergan plc	3.47
Total	49.97



*Forecasts based on analysts' consensus

Quarterly Performance	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
3Q 2015	-5.17	-5.82	-6.44	1.27
4Q 2015	7.95	7.25	7.04	0.91
1Q 2016	-4.14	-4.87	1.35	-5.49
2Q 2016	2.56	1.84	2.46	0.10
3Q 2016	6.77	6.05	3.85	2.92
4Q 2016	5.66	4.90	3.82	1.84
1Q 2017	6.47	5.72	6.07	0.40
2Q 2017	4.23	3.49	3.09	1.14
3Q 2017	4.81	4.08	4.48	0.33
4Q 2017	4.22	3.49	6.64	-2.42
1Q 2018	-1.18	-1.85	-0.76	-0.42
2Q 2018	2.57	1.83	3.43	-0.86



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	13.49	0.52	0.22	0.74
Consumer Staples	-3.17	0.28	-0.03	0.25
Energy	-1.39	-0.14	-0.04	-0.18
Financials	10.77	-0.74	-0.95	-1.69
Health Care	-7.62	-0.00	-0.16	-0.16
Industrials	0.47	-0.07	0.58	0.51
Information Technology	-3.90	-0.07	-0.09	-0.16
Materials	-2.61	0.03	--	0.03
Real Estate	-1.09	-0.03	-0.11	-0.13
Telecommunication Services	-2.00	0.08	--	0.08
Utilities	-2.95	-0.01	--	-0.01
Total	--	-0.15	-0.59	-0.74

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	13.49	0.95	-0.22	0.73
Consumer Staples	-3.17	0.57	0.08	0.64
Energy	-1.39	-0.05	0.10	0.04
Financials	10.77	-0.77	-1.20	-1.97
Health Care	-7.62	0.04	0.16	0.20
Industrials	0.47	-0.09	-0.65	-0.74
Information Technology	-3.90	-0.22	-0.39	-0.61
Materials	-2.61	0.16	--	0.16
Real Estate	-1.09	0.02	-0.00	0.02
Telecommunication Services	-2.00	0.22	--	0.22
Utilities	-2.95	0.07	--	0.07
Total	--	0.86	-2.13	-1.26

Top Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Amazon.com, Inc.	7.79	1.26	Consumer Discretionary	23.63	2.03
Apple Inc.	6.92	0.76	Information Technology	22.51	1.55
Facebook, Inc. Class A	3.07	0.60	Energy	4.71	0.56
Twenty-First Century Fox,...	1.30	0.42	Industrials	11.30	0.25
Liberty Media Corporation...	1.86	0.36	Health Care	7.83	0.13

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Amazon.com, Inc.	7.71	2.82	Energy	7.17	0.91
Apple Inc.	6.67	0.78	Health Care	6.83	0.54
Twenty-First Century Fox,...	1.24	0.50	Real Estate	6.23	0.17
Visa Inc. Class A	2.96	0.50	Consumer Discretionary	20.23	0.01
Workday, Inc. Class A	2.62	0.40	Industrials	0.96	-0.03

Bottom Contributors to Performance

Current Quarter

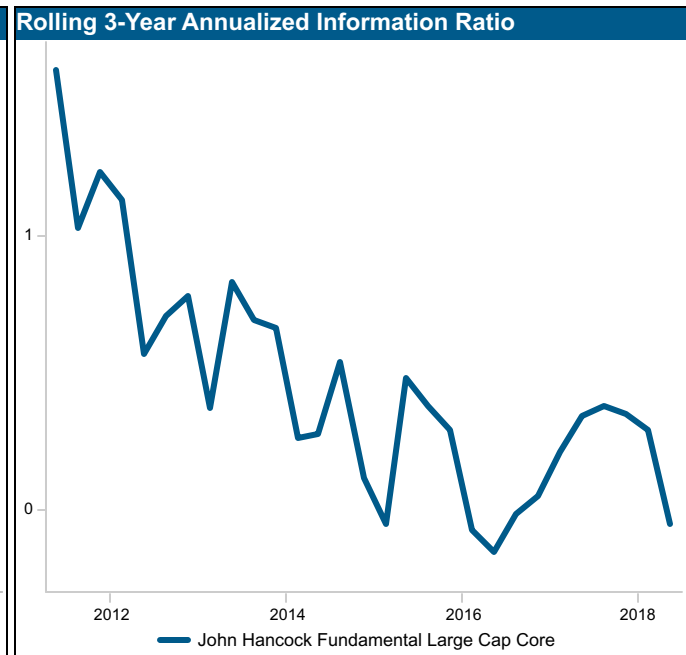
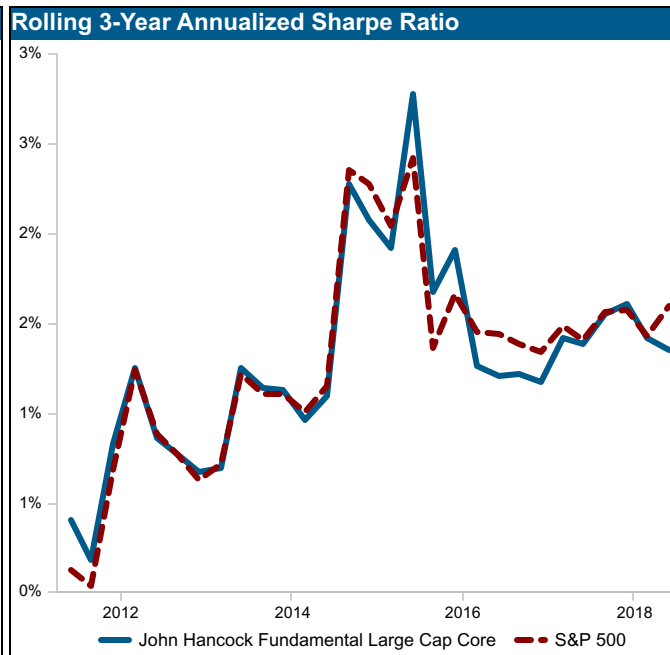
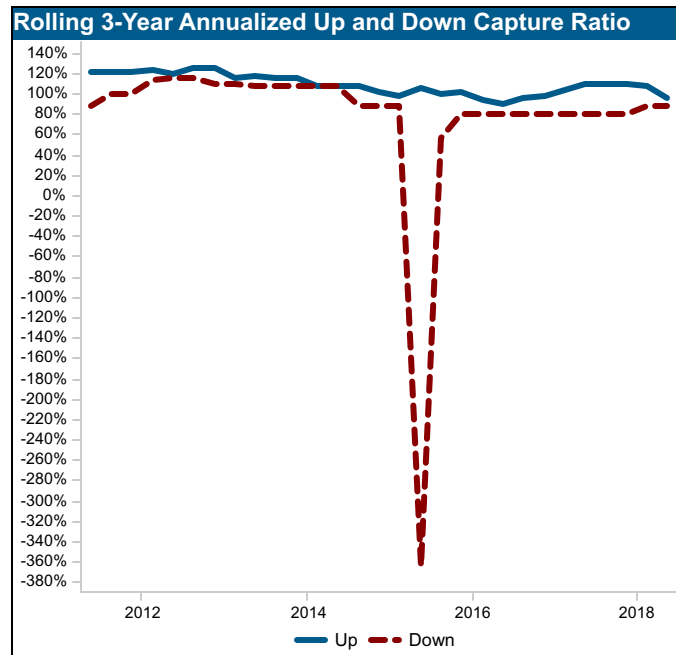
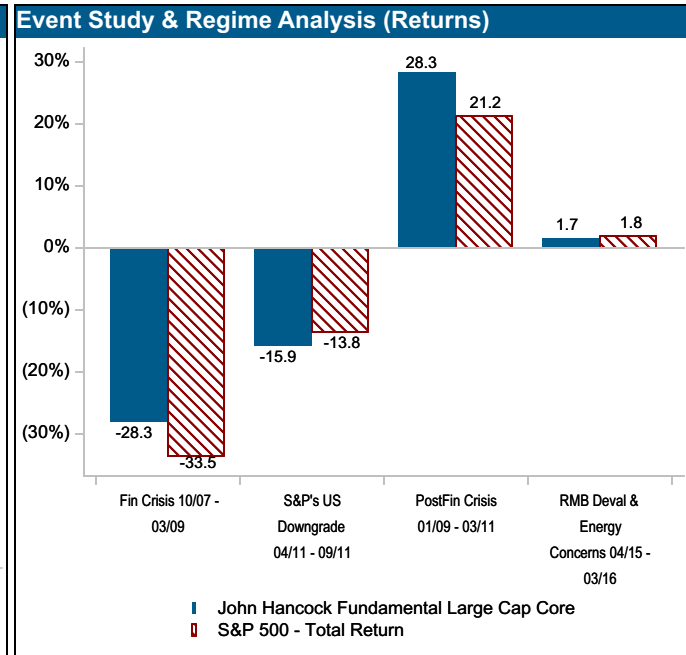
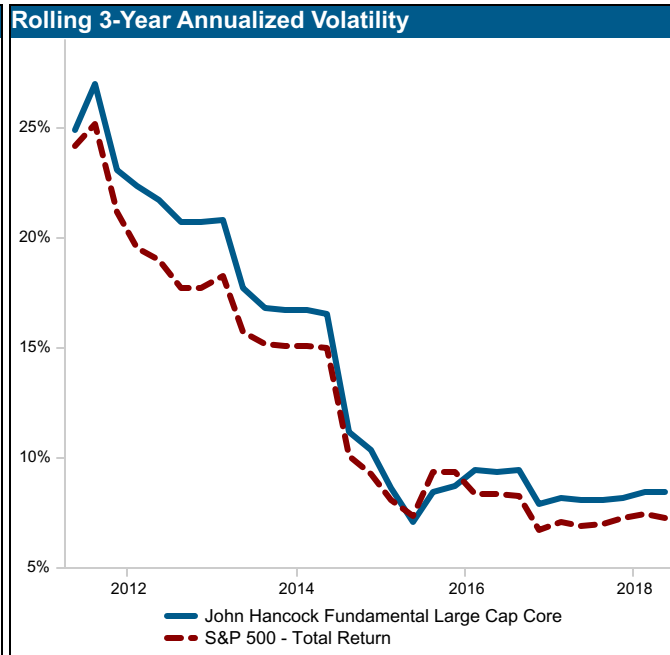
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Affiliated Managers Group...	2.22	-0.56	Financials	25.26	-1.75
Goldman Sachs Group, Inc.	4.19	-0.54	Consumer Staples	3.03	-0.08
Lennar Corporation Class...	3.45	-0.39	Real Estate	1.74	-0.00
Morgan Stanley	2.89	-0.35	Health Care	7.83	0.13
eBay Inc.	1.95	-0.32	Industrials	11.30	0.25

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
General Electric Company	6.31	-1.39	Information Technology	30.57	-1.77
Affiliated Managers Group...	2.48	-0.77	Financials	18.00	-0.94
Lennar Corporation Class...	3.48	-0.60	Consumer Staples	10.01	-0.52
Tempur Sealy Internationa...	2.17	-0.60	Industrials	0.96	-0.03
Goldman Sachs Group, Inc.	4.30	-0.59	Consumer Discretionary	20.23	0.01

Portfolio Performance and Risk Statistics (NAV)

Risk Statistics vs. Benchmark	3-Year	5-Year
Alpha	0.0%	0.5%
Beta	1.0	1.0
R2	73.5%	75.7%
Tracking Error	4.4%	3.9%
Information Ratio	0.0	0.1
Batting Average	66.7%	60.0%
Up Capture Ratio	95.8%	100.3%
Down Capture Ratio	88.0%	88.0%
Standard Deviation	8.5	8.0
Standard Deviation (Bmk)	7.4	7.0
Sharpe Ratio	1.4	1.7



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.

ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.

Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.

Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.

Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation - a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.

Duration - quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.

EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.

Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Market Cap (\$M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.

Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.

Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.

P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Peer Group Analysis - using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile.

Price-to-Book - price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Quality - Based upon per-share earnings and dividend records of the most recent 10 years, this ranking system attempts to capture the growth and stability of earnings and dividends for individual stocks. For a portfolio, the quality ranking is a weighted average. The quality rankings classification is as follows: A+ (highest), A (high), A- (above avg.), B+ (average), B (below avg.), B- (lower), C (lowest), D (in reorganization), and LIQ (liquidation).

R-Squared (R²) - represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R² is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R² percentages.

Return on Equity (ROE) - is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Rolling Annualized Performance - measures the consistency of a portfolio's performance. For example, with three-year annualized returns rolled annually, the return shown for a given period is actually an annualized return for a particular year and the previous two years. Since performance is assessed over longer periods, the returns rolled annually give a better indication of trends.

Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.

Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Total Effect - is the sum of all effects.

Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

Depending on the composition of your account and your investment objectives any indices shown in this report may not be an appropriate measure for comparison purposes and are presented for illustration only. The strategy shown in this report does not necessarily seek to track the index, is not restricted to securities in the index and may be more volatile than the index. The benchmark below may differ from the benchmark assigned by the manager, please refer to the GIMA manager report for more details.

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

S&P 500 Index is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is meant to reflect the risk/return characteristics of the large cap universe. Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index - each stock's weight is proportionate to its market value.

Important Disclosures

REPORT FOR USE ONLY IN INVESTMENT ADVISORY PROGRAMS

This report is only to be used in Morgan Stanley Smith Barney LLC ("Morgan Stanley") investment advisory programs and not in connection with brokerage accounts.

THE GLOBAL INVESTMENT MANAGER ANALYSIS (GIMA) SERVICES ONLY APPLY TO CERTAIN INVESTMENT ADVISORY PROGRAMS

Global Investment Manager Analysis (GIMA) evaluates certain investment products for the purposes of some - but not all - of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley). If you do not invest through one of these investment advisory programs, Morgan Stanley is not obligated to provide you notice of any GIMA status changes even though it may give notice to clients in other programs.

FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. 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 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 or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.

Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "GIMA At A Glance."

NO OBLIGATION TO UPDATE

Morgan Stanley has no obligation to update you when any information or opinion in this report changes.

STRATEGY MAY BE AVAILABLE AS A SEPARATELY MANAGED ACCOUNT OR MUTUAL FUND

Strategies are sometimes available in Morgan Stanley investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program.

CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

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 report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Net performance information

Net performance results reflect a deduction from the gross performance of three components: 0.625% maximum quarterly (2.5% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time.

The maximum total annual fee chargeable in a Morgan Stanley investment advisory program is generally no more than 3%. If you invest through a program in which your program fee is higher than 3%, then the net results would be lower.

Please see the Select UMA Manager Profile for this investment manager and strategy, for more details on the SMA Manager Fee for this strategy and performance and other information. The Profiles are available from your Financial Advisor and at www.morganstanley.com/ADV. Also, if you select this manager for your account, check the SMA Manager Fees specified in the written confirmation you receive when you open your investment advisory account, in case these have changed since you received the Select UMA Manager Profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Economic Sector Allocations and 10 Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. 10 Largest Holdings lists indicate the largest security holdings in the portfolio, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the fund's investment manager, Morgan Stanley or a third party service provider.

Important Disclosures

SOURCES OF DATA

Material in this report 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.

ASSET CLASS AND OTHER RISKS

Investing in **stocks**, **mutual funds** and **exchange-traded funds ("ETFs")** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios 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 those that diversify among a broad range of sectors.

Value and **growth investing** also carry risks. 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.

International Securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in **emerging markets**.

Small- and mid- capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Ultra-short bond funds generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Real estate investments:** property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be suitable for all investors. There is the possibility of early return of principal due to mortgage prepayments, which can reduce expected yield and result in reinvestment risk. Conversely, return of principal may be slower than initial prepayment speed assumptions, extending the average life of the security up to its listed maturity date (also referred to as extension risk). Additionally, the underlying collateral supporting MBS may default on principal and interest payments. Investments in subordinated MBS involve greater credit risk of default than the senior classes of the same issue.

MBS are also sensitive to interest rate changes which can negatively impact the market value of the security. During times of heightened volatility, MBS can experience greater levels of illiquidity and larger price movements.

Commodities: The commodities markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

Alternative/hedged strategies may use various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative/hedged strategies are not appropriate for all investors. A short sales strategy includes the risk of loss due to an increase in the market value of borrowed securities. Such a strategy may be combined with purchasing long positions in an attempt to improve portfolio performance. A short sales strategy may result in greater losses or lower positive returns than if the portfolio held only long positions, and the portfolio's loss on a short sale is potentially unlimited. The use of leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company. A decrease in the credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In a liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders.

MLPs involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs. The potential return of MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the portfolio's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment.

The current yield of **preferred securities** is calculated by multiplying the coupon by par value divided by the market price. The majority of \$25 and \$1000 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. The initial rate on a floating rate or index-linked preferred security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating/linked index. However, there can be no assurance that these increases will occur.

Convertible securities are convertible to equity at the option of the holder. The market value of the securities, and the underlying common stock into which they are convertible, will fluctuate. In particular, securities whose value depends on the performance of an underlying security entail potentially higher volatility and risk of loss compared to traditional bond investments. You should be aware that the market value of convertible bonds may not correspond directly to increases or decreases in the underlying stock.

NO TAX ADVICE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth 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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

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Strategy Description

The investment team seeks stocks with below average historical valuation as they believe a company's valuation relative to its history is a more important indicator of potential than its valuation relative to the market.

Thomas Hagen

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Trailing Returns

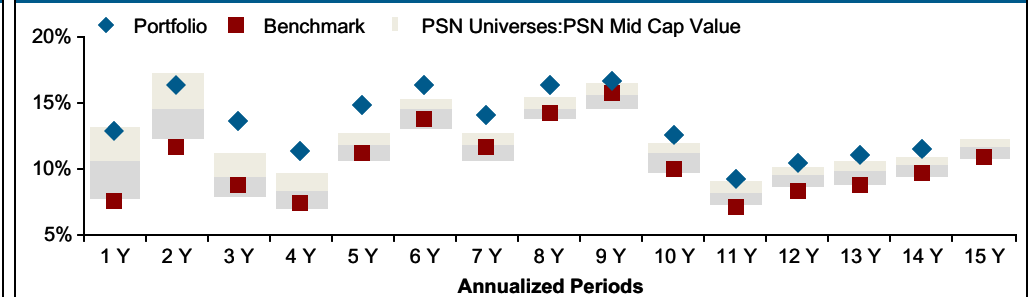
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
Chartwell Mid Cap Value (Gross)	4.48%	-0.16%	12.99%	13.74%	14.86%	14.22%	12.69%	20.58%	27.91%	-1.38%	10.38%	36.45%	18.47%
Chartwell Mid Cap Value (Net)	3.74%	-1.56%	9.85%	10.55%	11.62%	11.01%	9.52%	17.23%	24.28%	-4.24%	7.25%	32.72%	15.15%
Russell Midcap Value	2.41%	-0.16%	7.60%	8.80%	11.27%	11.70%	10.06%	13.34%	20.00%	-4.78%	14.75%	33.46%	18.51%
Excess Return (Gross)	2.07%	0.00%	5.40%	4.94%	3.59%	2.52%	2.63%	7.24%	7.92%	3.40%	-4.37%	2.99%	-0.04%

Past Performance is no guarantee of future results. The source for all charts/tables is FactSet. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of the date of most recent quarter end unless otherwise noted. All data are subject to change.

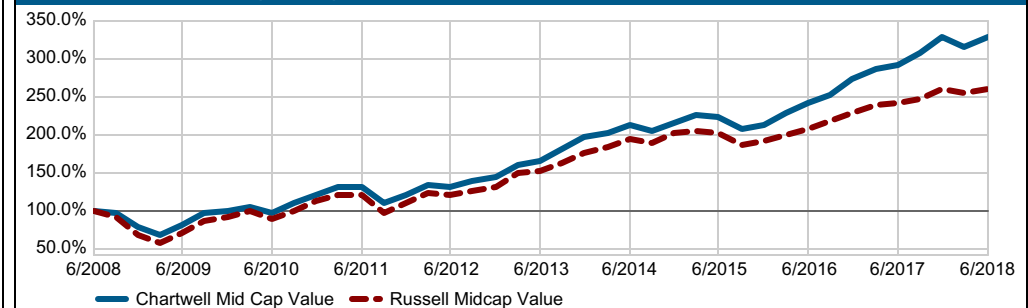
Performance Commentary

- The portfolio outperformed the Russell Midcap Value for the quarter. Stock selection was positive and sector positioning was negative.
- The top contributing sectors were Industrials, Real Estate, and Utilities. The top detracting sectors were Energy, Financials, and Consumer Staples. From an industry perspective, Machinery, Multi-Utilities, and Equity Real Estate Investment Trusts (REITs) added value, while Food Products, Oil Gas & Consumable Fuels, and Insurance detracted.
- Within the portfolio, companies with a price/earnings greater than 20.0x contributed to returns while companies with a price/earnings between 16.0x and 20.0x detracted. And finally, companies with moderate beta tended to do better than companies with high beta during the quarter.

Peer Group Analysis (Returns)



Investment Growth - (Gross)



INVESTMENT PRODUCTS: NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

This report is only to be used in connection with investment advisory programs and not brokerage accounts.

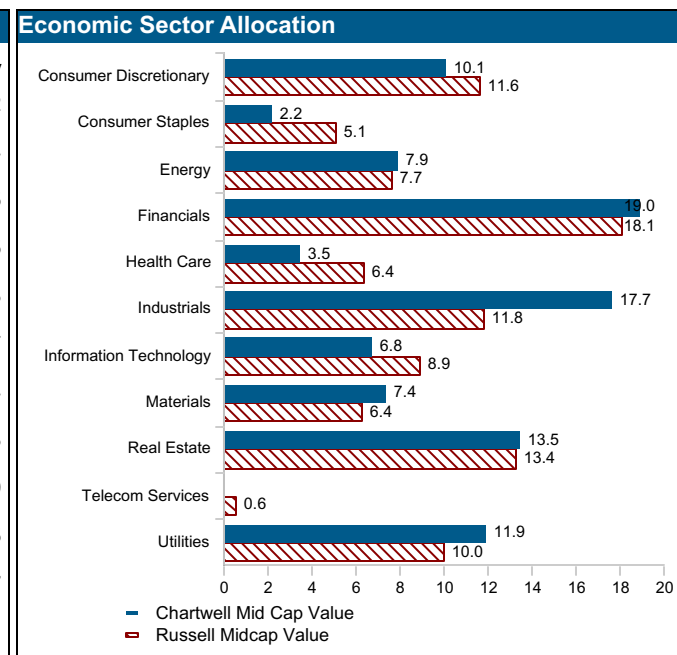
Please use this report in tandem with the associated Manager Profile which contains additional information about this strategy.

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

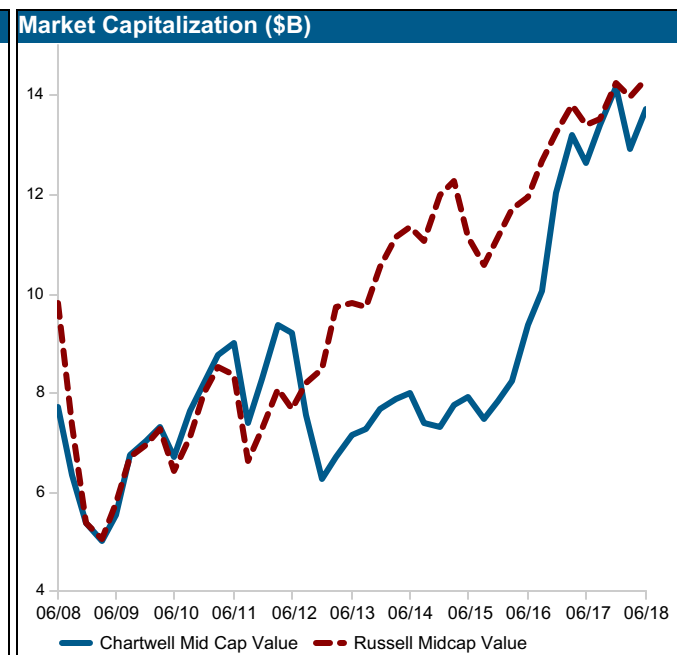
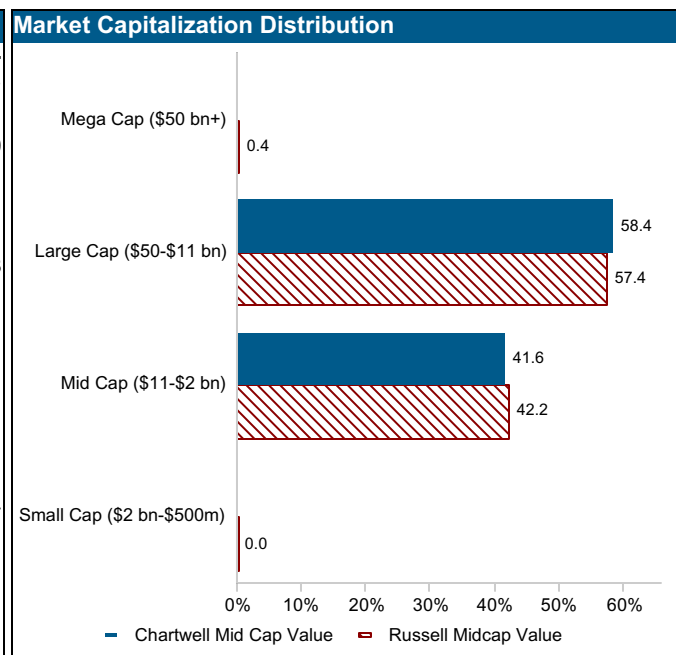
Portfolio Characteristics	Strategy	Bmk
# of Securities	36	596
Market Cap (\$M)	13,723	14,345
P/E - Trailing 12-Mo.	20.6	17.4
Adj. P/E - trailing 12-Mo.	20.3	16.3
P/E - Forecast FY1*	17.6	15.8
Price-to- Book	2.1	1.9
Return on Equity	11.7	11.3
EPS Growth - Forecast*	12.6	10.6
EPS Growth - Hist. 5 Year	8.6	7.8
Active Share	93.15	--

Top 10 Holdings	% of Equity
DCT Industrial Trust Inc.	4.42
J.B. Hunt Transport Services, Inc.	4.04
Vulcan Materials Company	3.75
Valvoline Inc.	3.65
Snap-on Incorporated	3.63
Allstate Corporation	3.57
Quest Diagnostics Incorporated	3.54
AutoZone, Inc.	3.43
CMS Energy Corporation	3.39
Expedia Group, Inc.	3.35
Total	36.77



*Forecasts based on analysts' consensus

Quarterly Performance	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
3Q 2015	-6.99	-7.66	-8.04	1.05
4Q 2015	2.72	2.03	3.12	-0.40
1Q 2016	7.38	6.57	3.92	3.46
2Q 2016	5.86	5.12	4.77	1.09
3Q 2016	3.37	2.65	4.45	-1.08
4Q 2016	8.86	8.07	5.52	3.34
1Q 2017	4.42	3.69	3.76	0.66
2Q 2017	2.04	1.31	1.37	0.67
3Q 2017	5.57	4.83	2.14	3.43
4Q 2017	7.20	6.45	5.50	1.70
1Q 2018	-4.44	-5.11	-2.50	-1.94
2Q 2018	4.48	3.74	2.41	2.07



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-1.52	0.04	0.20	0.24
Consumer Staples	-2.88	0.05	-0.32	-0.28
Energy	0.20	-0.49	-0.01	-0.50
Financials	0.85	0.01	-0.38	-0.37
Health Care	-2.87	0.08	0.23	0.31
Industrials	5.86	-0.61	2.14	1.53
Information Technology	-2.15	0.01	-0.14	-0.13
Materials	1.05	0.01	0.25	0.26
Real Estate	0.14	-0.02	0.70	0.68
Telecommunication Services	-0.55	-0.05	--	-0.05
Utilities	1.87	0.01	0.52	0.52
Total	--	-0.97	3.19	2.22

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-1.52	0.07	0.36	0.42
Consumer Staples	-2.88	0.07	-0.41	-0.34
Energy	0.20	-0.39	-0.11	-0.51
Financials	0.85	-0.01	-1.08	-1.09
Health Care	-2.87	0.11	0.36	0.47
Industrials	5.86	-0.72	1.51	0.79
Information Technology	-2.15	-0.33	-0.29	-0.62
Materials	1.05	0.01	-0.29	-0.28
Real Estate	0.14	0.05	0.85	0.90
Telecommunication Services	-0.55	-0.08	--	-0.08
Utilities	1.87	0.03	0.45	0.48
Total	--	-1.31	1.35	0.03

Top Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
DCT Industrial Trust Inc.	4.25	0.76	Real Estate	12.99	1.80
Vulcan Materials Company	3.66	0.47	Industrials	20.75	1.26
Ralph Lauren Corporation...	3.89	0.45	Utilities	13.78	1.07
Vectren Corporation	2.81	0.38	Energy	6.38	0.85
Host Hotels & Resorts, In...	2.70	0.37	Materials	6.33	0.40

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Ralph Lauren Corporation...	4.24	0.80	Real Estate	12.60	1.04
DCT Industrial Trust Inc.	4.03	0.62	Utilities	13.73	0.74
Vectren Corporation	2.88	0.37	Energy	5.42	0.51
Energen Corporation	0.87	0.29	Health Care	3.21	0.20
Hanover Insurance Group,...	2.71	0.29	Information Technology	4.57	0.08

Bottom Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Lincoln National Corporat...	3.71	-0.58	Financials	20.28	-0.89
Ingredion Incorporated	2.41	-0.38	Consumer Staples	2.41	-0.38
Toll Brothers, Inc.	1.53	-0.23	Information Technology	5.56	0.07
M&T Bank Corporation	1.96	-0.14	Consumer Discretionary	9.09	0.20
Expedia Group, Inc.	0.30	-0.13	Health Care	2.43	0.24

Year to Date

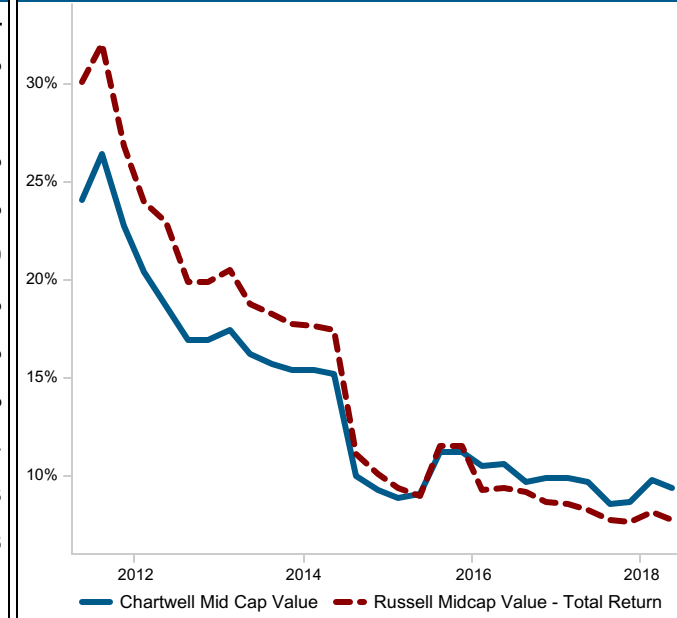
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Lincoln National Corporat...	3.96	-0.82	Financials	20.53	-1.53
Ingredion Incorporated	2.56	-0.59	Consumer Staples	2.56	-0.59
Allstate Corporation	3.84	-0.49	Materials	6.49	-0.39
Rockwell Automation, Inc.	2.78	-0.43	Industrials	21.31	-0.23
Valvoline Inc.	2.81	-0.43	Consumer Discretionary	9.57	0.03

Portfolio Performance and Risk Statistics (NAV)

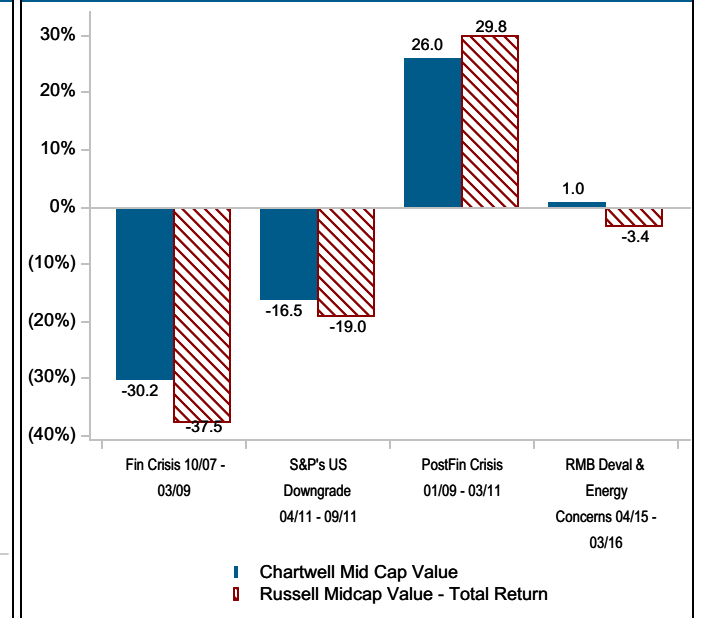
Risk Statistics vs. Benchmark

	3-Year	5-Year
Alpha	3.6%	2.3%
Beta	1.1	1.1
R2	87.3%	83.9%
Tracking Error	3.5%	3.9%
Information Ratio	1.5	1.0
Batting Average	75.0%	70.0%
Up Capture Ratio	150.2%	141.0%
Down Capture Ratio	107.6%	115.7%
Standard Deviation	9.4	9.4
Standard Deviation (Bmk)	7.8	7.8
Sharpe Ratio	1.5	1.6

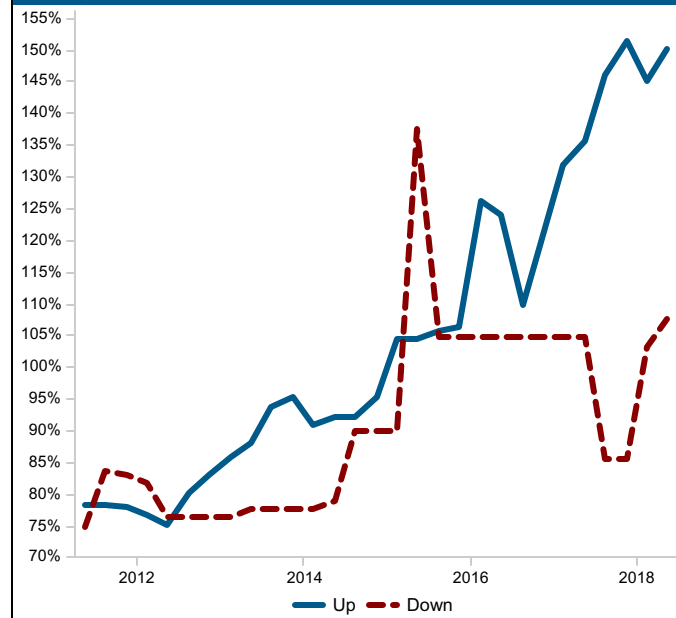
Rolling 3-Year Annualized Volatility



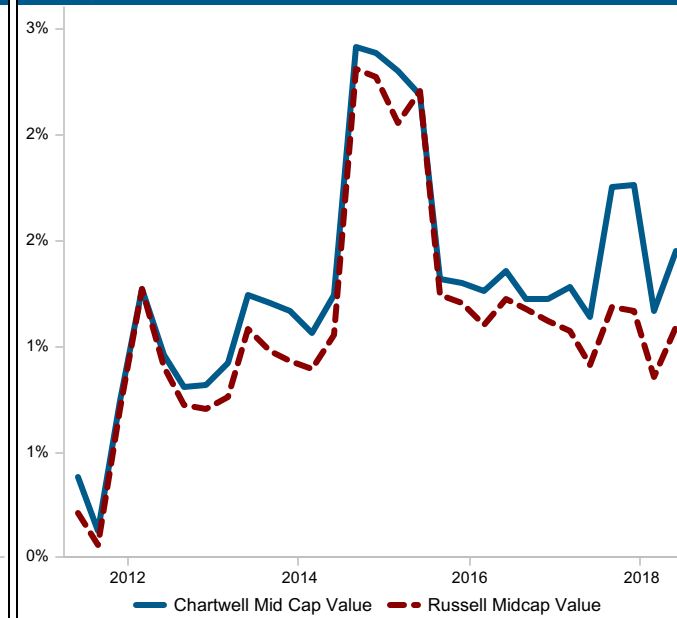
Event Study & Regime Analysis (Returns)



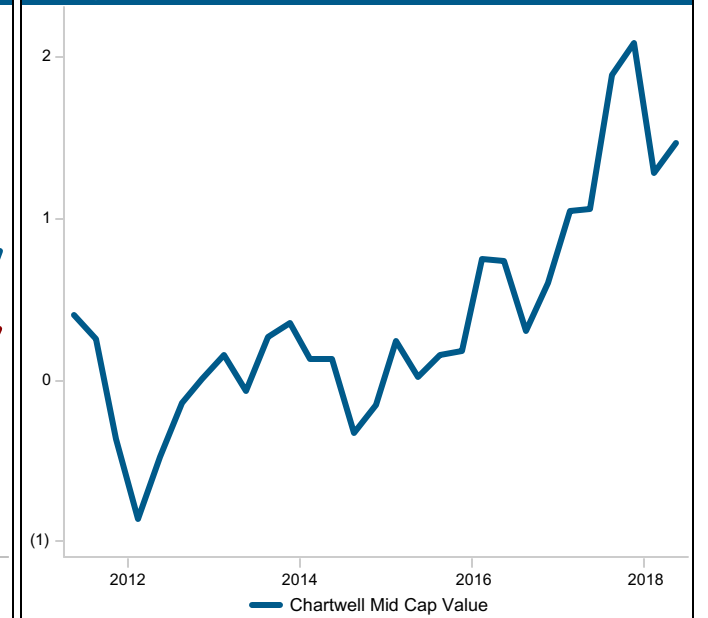
Rolling 3-Year Annualized Up and Down Capture Ratio



Rolling 3-Year Annualized Sharpe Ratio



Rolling 3-Year Annualized Information Ratio



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.

ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.

Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.

Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.

Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation - a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.

Duration - quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.

EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.

Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Market Cap (\$M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.

Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.

Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.

P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Peer Group Analysis - using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile.

Price-to-Book - price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Quality - Based upon per-share earnings and dividend records of the most recent 10 years, this ranking system attempts to capture the growth and stability of earnings and dividends for individual stocks. For a portfolio, the quality ranking is a weighted average. The quality rankings classification is as follows: A+ (highest), A (high), A- (above avg.), B+ (average), B (below avg.), B- (lower), C (lowest), D (in reorganization), and LIQ (liquidation).

R-Squared (R²) - represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R² is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R² percentages.

Return on Equity (ROE) - is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Rolling Annualized Performance - measures the consistency of a portfolio's performance. For example, with three-year annualized returns rolled annually, the return shown for a given period is actually an annualized return for a particular year and the previous two years. Since performance is assessed over longer periods, the returns rolled annually give a better indication of trends.

Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.

Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Total Effect - is the sum of all effects.

Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

Depending on the composition of your account and your investment objectives any indices shown in this report may not be an appropriate measure for comparison purposes and are presented for illustration only. The strategy shown in this report does not necessarily seek to track the index, is not restricted to securities in the index and may be more volatile than the index. The benchmark below may differ from the benchmark assigned by the manager, please refer to the GIMA manager report for more details.

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

Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

Important Disclosures

REPORT FOR USE ONLY IN INVESTMENT ADVISORY PROGRAMS

This report is only to be used in Morgan Stanley Smith Barney LLC ("Morgan Stanley") investment advisory programs and not in connection with brokerage accounts.

THE GLOBAL INVESTMENT MANAGER ANALYSIS (GIMA) SERVICES ONLY APPLY TO CERTAIN INVESTMENT ADVISORY PROGRAMS

Global Investment Manager Analysis (GIMA) evaluates certain investment products for the purposes of some - but not all - of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley). If you do not invest through one of these investment advisory programs, Morgan Stanley is not obligated to provide you notice of any GIMA status changes even though it may give notice to clients in other programs.

FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. 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 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 or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.

Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "GIMA At A Glance."

NO OBLIGATION TO UPDATE

Morgan Stanley has no obligation to update you when any information or opinion in this report changes.

STRATEGY MAY BE AVAILABLE AS A SEPARATELY MANAGED ACCOUNT OR MUTUAL FUND

Strategies are sometimes available in Morgan Stanley investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program.

CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

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 report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Net performance information

Net performance results reflect a deduction from the gross performance of three components: 0.625% maximum quarterly (2.5% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time.

The maximum total annual fee chargeable in a Morgan Stanley investment advisory program is generally no more than 3%. If you invest through a program in which your program fee is higher than 3%, then the net results would be lower.

Please see the Select UMA Manager Profile for this investment manager and strategy, for more details on the SMA Manager Fee for this strategy and performance and other information. The Profiles are available from your Financial Advisor and at www.morganstanley.com/ADV. Also, if you select this manager for your account, check the SMA Manager Fees specified in the written confirmation you receive when you open your investment advisory account, in case these have changed since you received the Select UMA Manager Profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Economic Sector Allocations and 10 Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. 10 Largest Holdings lists indicate the largest security holdings in the portfolio, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the fund's investment manager, Morgan Stanley or a third party service provider.

Important Disclosures

SOURCES OF DATA

Material in this report 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.

ASSET CLASS AND OTHER RISKS

Investing in **stocks**, **mutual funds** and **exchange-traded funds ("ETFs")** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios 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 those that diversify among a broad range of sectors.

Value and **growth investing** also carry risks. 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.

International Securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in **emerging markets**.

Small- and mid- capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Ultra-short bond funds generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Real estate investments:** property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be suitable for all investors. There is the possibility of early return of principal due to mortgage prepayments, which can reduce expected yield and result in reinvestment risk. Conversely, return of principal may be slower than initial prepayment speed assumptions, extending the average life of the security up to its listed maturity date (also referred to as extension risk). Additionally, the underlying collateral supporting MBS may default on principal and interest payments. Investments in subordinated MBS involve greater credit risk of default than the senior classes of the same issue.

MBS are also sensitive to interest rate changes which can negatively impact the market value of the security. During times of heightened volatility, MBS can experience greater levels of illiquidity and larger price movements.

Commodities: The commodities markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

Alternative/hedged strategies may use various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative/hedged strategies are not appropriate for all investors. A short sales strategy includes the risk of loss due to an increase in the market value of borrowed securities. Such a strategy may be combined with purchasing long positions in an attempt to improve portfolio performance. A short sales strategy may result in greater losses or lower positive returns than if the portfolio held only long positions, and the portfolio's loss on a short sale is potentially unlimited. The use of leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company. A decrease in the credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In a liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders.

MLPs involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs. The potential return of MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the portfolio's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment.

The current yield of **preferred securities** is calculated by multiplying the coupon by par value divided by the market price. The majority of \$25 and \$1000 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. The initial rate on a floating rate or index-linked preferred security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating/linked index. However, there can be no assurance that these increases will occur.

Convertible securities are convertible to equity at the option of the holder. The market value of the securities, and the underlying common stock into which they are convertible, will fluctuate. In particular, securities whose value depends on the performance of an underlying security entail potentially higher volatility and risk of loss compared to traditional bond investments. You should be aware that the market value of convertible bonds may not correspond directly to increases or decreases in the underlying stock.

NO TAX ADVICE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth 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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

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DF Dent and Co Mid Cap Growth

Status: Focus List

Investment Style: US Mid Cap Growth

Benchmark: Russell Midcap Growth

June 30, 2018 (Q2)

Margarita Triantafyllidou

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212-296-2627

Strategy Description

The firm employs a bottom-up, fundamental process that seeks companies that are consistent growers, have strong management and are unrecognized and under-researched. The strategy looks for companies that exhibit above average EPS growth, high returns on investment, strong free cash flow, sustainable growth, a competitive advantage and attractive relative valuations.

Trailing Returns

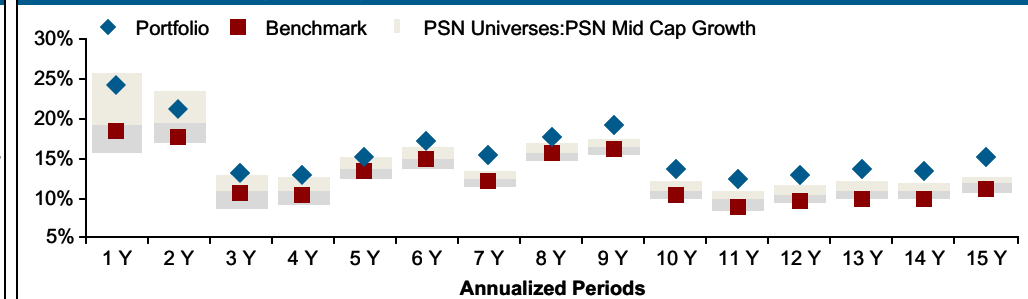
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
DF Dent and Co Mid Cap Growth (Gross)	3.82%	9.44%	24.20%	13.31%	15.13%	15.45%	13.60%	32.17%	5.36%	2.08%	3.83%	44.45%	19.80%
DF Dent and Co Mid Cap Growth (Net)	3.04%	7.85%	20.65%	10.03%	11.72%	12.07%	10.27%	28.43%	2.21%	-0.94%	0.52%	40.36%	16.32%
Russell Midcap Growth	3.16%	5.40%	18.52%	10.73%	13.37%	12.16%	10.45%	25.27%	7.33%	-0.20%	11.90%	35.74%	15.81%
Excess Return (Gross)	0.66%	4.04%	5.68%	2.58%	1.76%	3.30%	3.15%	6.90%	-1.97%	2.28%	-8.08%	8.71%	4.00%

Past Performance is no guarantee of future results. The source for all charts/tables is FactSet. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of the date of most recent quarter end unless otherwise noted. All data are subject to change.

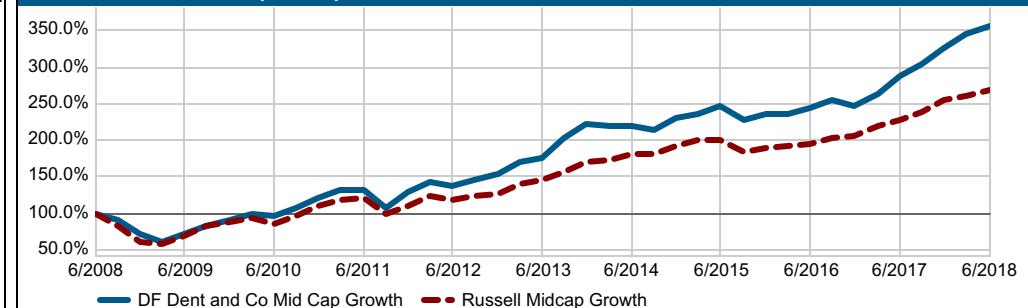
Performance Commentary

- The portfolio outperformed the Russell Midcap Growth for the quarter. Stock selection was positive and sector positioning was negative.
- The top contributing sectors were Industrials, Energy, and Materials. The top detracting sectors were Consumer Discretionary, Financials, and Real Estate. From an industry perspective, Semiconductors & Semiconductor Equipment, Professional Services, and Energy Equipment & Services added value, while Distributors, Trading Companies & Distributors, and Equity Real Estate Investment Trusts (REITs) detracted.
- Within the portfolio, companies with a price/earnings between 16.0x and 20.0x contributed to returns while companies with a price/earnings greater than 20.0x detracted. And finally, companies with high beta tended to do better than companies with low beta during the quarter.

Peer Group Analysis (Returns)



Investment Growth - (Gross)



INVESTMENT PRODUCTS: NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

This report is only to be used in connection with investment advisory programs and not brokerage accounts.

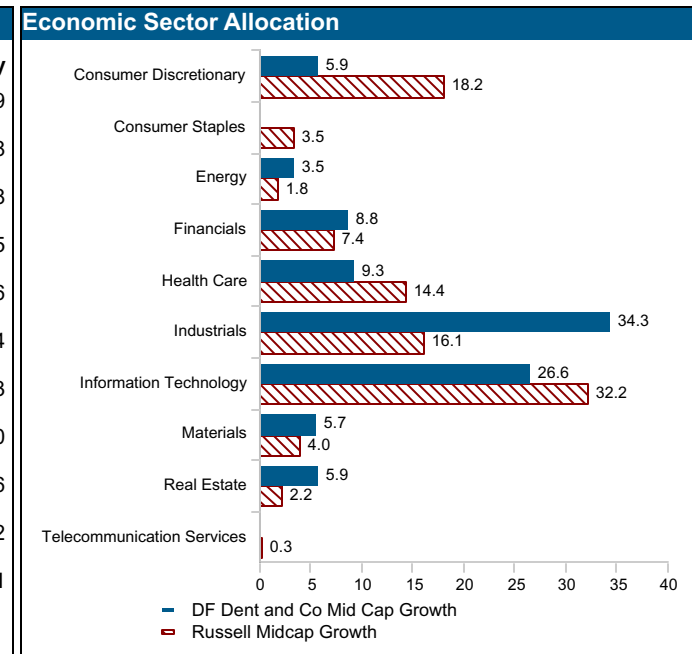
Please use this report in tandem with the associated Manager Profile which contains additional information about this strategy.

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

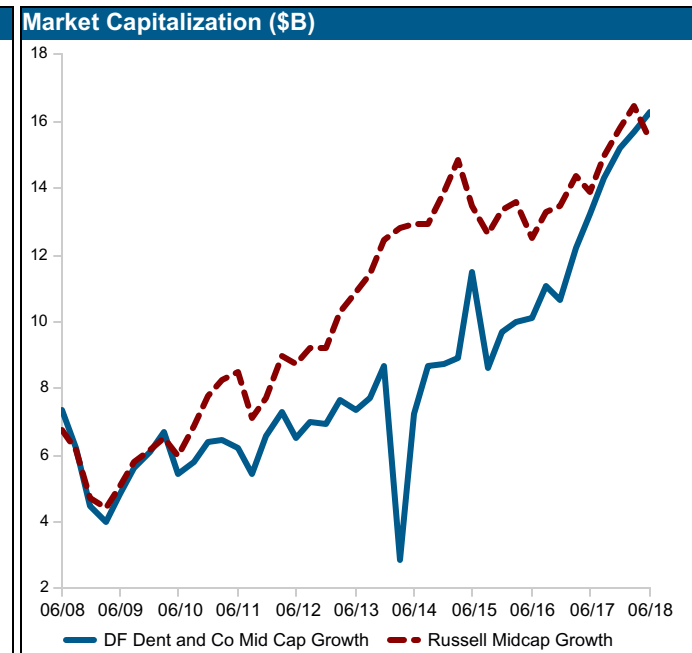
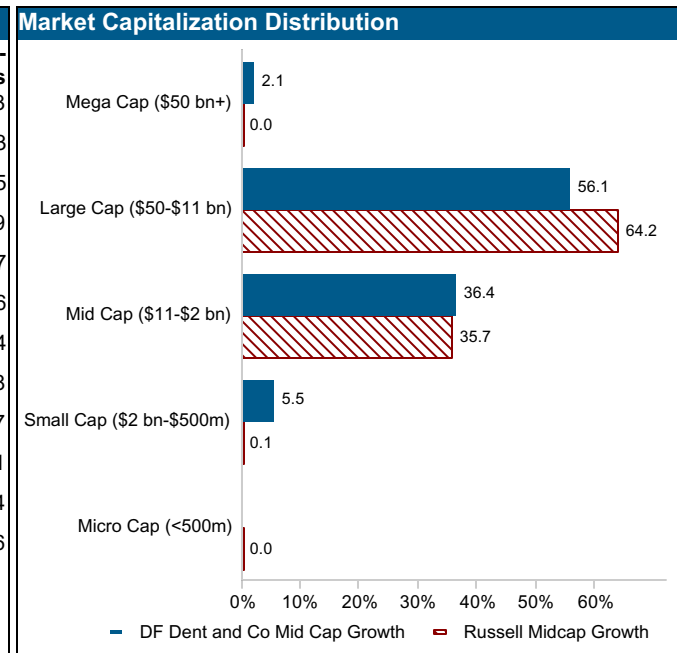
Portfolio Characteristics	Strategy	Bmk
# of Securities	33	415
Market Cap (\$M)	16,273	15,464
P/E - Trailing 12-Mo.	32.3	27.0
Adj. P/E - trailing 12-Mo.	31.0	25.2
P/E - Forecast FY1*	27.8	21.7
Price-to- Book	4.9	6.0
Return on Equity	18.1	20.6
EPS Growth - Forecast*	14.6	17.2
EPS Growth - Hist. 5 Year	12.5	15.7
Active Share	92.95	--

Top 10 Holdings	% of Equity
Verisk Analytics Inc	6.49
Ecolab Inc.	5.68
Illumina, Inc.	4.58
ANSYS, Inc.	4.25
Moody's Corporation	4.06
Tyler Technologies, Inc.	3.84
CarMax, Inc.	3.63
Fastenal Company	3.60
Waste Connections, Inc.	3.56
PROS Holdings, Inc.	3.52
Total	43.21



*Forecasts based on analysts' consensus

Quarterly Performance	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
3Q 2015	-7.66	-8.34	-7.99	0.33
4Q 2015	3.39	2.67	4.12	-0.73
1Q 2016	0.13	-0.68	0.58	-0.45
2Q 2016	3.25	2.50	1.56	1.69
3Q 2016	4.52	3.77	4.59	-0.07
4Q 2016	-2.50	-3.25	0.46	-2.96
1Q 2017	6.85	6.08	6.89	-0.04
2Q 2017	8.99	8.22	4.21	4.78
3Q 2017	6.05	5.28	5.28	0.77
4Q 2017	7.02	6.26	6.81	0.21
1Q 2018	5.41	4.67	2.17	3.24
2Q 2018	3.82	3.04	3.16	0.66



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter					Economic Sector Attribution - Year to Date				
	Relative Weights	Allocation Effect	Stock Selection	Total Effect		Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-12.35	-0.39	-0.38	-0.77	Consumer Discretionary	-12.35	0.11	-0.56	-0.45
Consumer Staples	-3.48	0.12	-0.03	0.09	Consumer Staples	-3.48	0.16	-0.02	0.14
Energy	1.73	0.09	0.18	0.27	Energy	1.73	0.04	0.39	0.43
Financials	1.46	-0.08	-0.50	-0.58	Financials	1.46	0.03	-0.39	-0.36
Health Care	-5.08	-0.10	0.34	0.24	Health Care	-5.08	-0.11	1.18	1.07
Industrials	18.18	-0.65	1.78	1.13	Industrials	18.18	-0.79	1.49	0.70
Information Technology	-5.59	-0.02	0.18	0.16	Information Technology	-5.59	-0.13	1.86	1.73
Materials	1.70	0.02	0.25	0.27	Materials	1.70	0.10	0.82	0.93
Real Estate	3.69	0.09	-0.42	-0.33	Real Estate	3.69	-0.14	0.30	0.16
Telecommunication Services	-0.25	-0.00	--	-0.00	Telecommunication Services	-0.25	0.03	--	0.03
Utilities	--	0.00	--	0.00	Utilities	--	0.01	--	0.01
Total	--	-0.92	1.40	0.48	Total	--	-0.97	5.07	4.09

Top Contributors to Performance

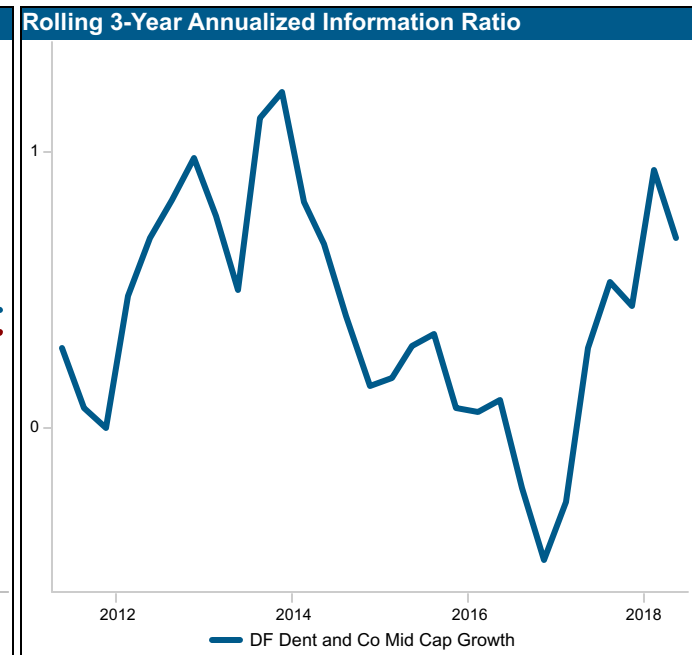
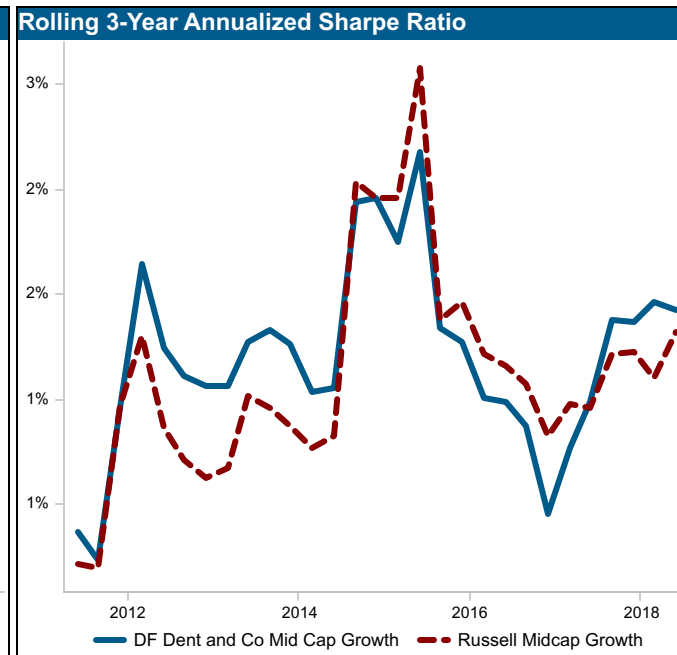
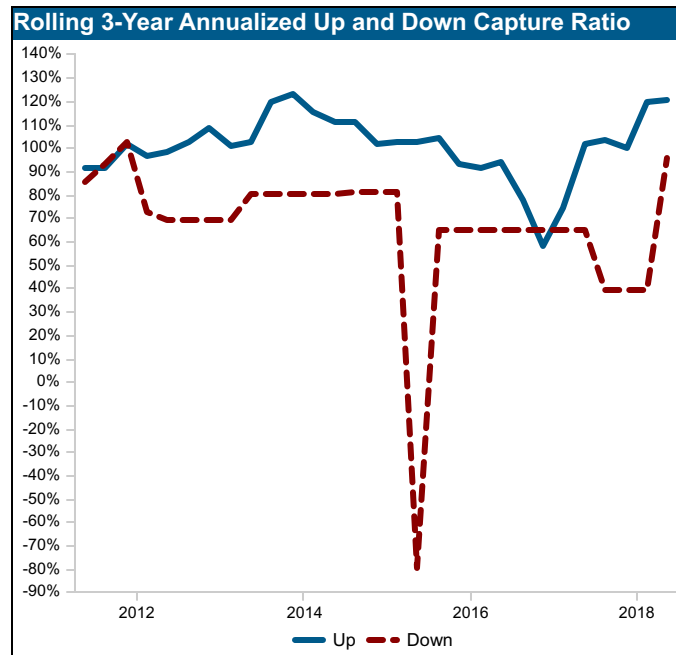
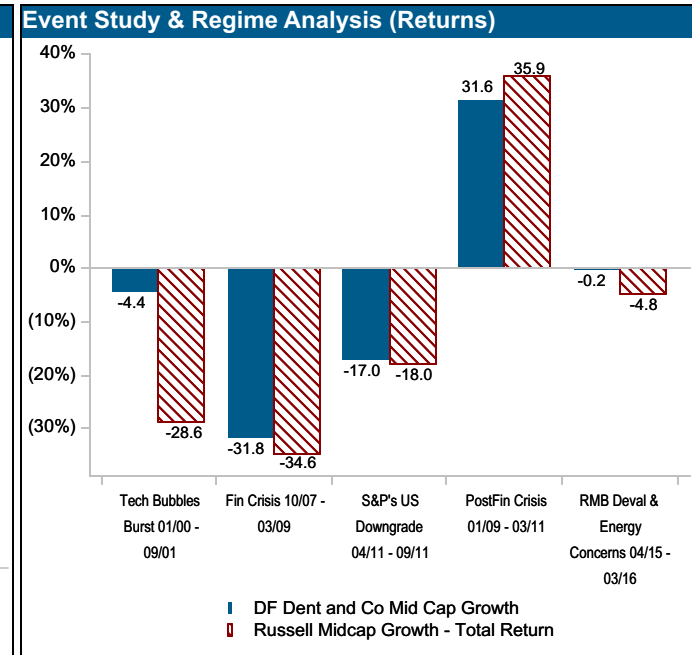
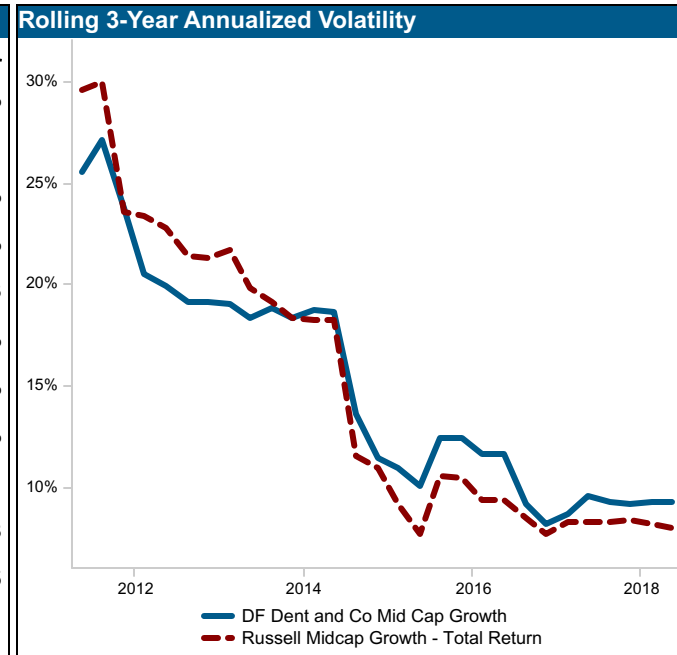
Current Quarter			Current Quarter			Year to Date			Year to Date		
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Illumina, Inc.	4.20	0.71	Industrials	33.38	1.49	PROS Holdings, Inc.	3.17	1.08	Information Technology	25.87	4.58
Core Laboratories NV	3.31	0.60	Information Technology	26.94	1.12	Illumina, Inc.	4.17	1.07	Health Care	9.52	2.30
CarMax, Inc.	3.26	0.54	Health Care	9.30	0.84	CoStar Group, Inc.	2.93	0.96	Industrials	33.36	1.59
ANSYS, Inc.	4.02	0.41	Energy	3.31	0.60	Red Hat, Inc.	4.12	0.90	Energy	3.17	0.59
Genesee & Wyoming, Inc. C...	2.95	0.41	Materials	5.93	0.28	Tyler Technologies, Inc.	3.79	0.89	Materials	5.69	0.37

Bottom Contributors to Performance

Current Quarter			Current Quarter			Year to Date			Year to Date		
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
SEI Investments Company	2.65	-0.55	Financials	9.56	-0.60	WageWorks, Inc.	2.98	-0.84	Consumer Discretionary	6.25	-0.28
LKQ Corporation	2.34	-0.48	Real Estate	5.59	-0.11	LKQ Corporation	2.72	-0.68	Consumer Staples	0.04	-0.02
Fastenal Company	2.79	-0.30	Consumer Staples	0.07	-0.02	Trimble Inc.	2.54	-0.51	Financials	10.27	0.07
Red Hat, Inc.	3.64	-0.26	Consumer Discretionary	5.92	0.02	Healthcare Services Group...	2.45	-0.48	Real Estate	5.84	0.28
Markel Corporation	2.62	-0.21	Materials	5.93	0.28	SEI Investments Company	3.34	-0.36	Materials	5.69	0.37

Portfolio Performance and Risk Statistics (NAV)

Risk Statistics vs. Benchmark	3-Year	5-Year
Alpha	1.9%	0.7%
Beta	1.1	1.1
R2	82.4%	71.0%
Tracking Error	3.9%	5.5%
Information Ratio	0.7	0.3
Batting Average	58.3%	55.0%
Up Capture Ratio	121.1%	107.9%
Down Capture Ratio	95.9%	64.9%
Standard Deviation	9.3	10.1
Standard Deviation (Bmk)	8.0	7.8
Sharpe Ratio	1.4	1.5



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.

ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.

Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.

Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.

Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation - a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.

Duration - quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.

EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.

Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Market Cap (\$M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.

Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.

Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.

P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Peer Group Analysis - using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile.

Price-to-Book - price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Quality - Based upon per-share earnings and dividend records of the most recent 10 years, this ranking system attempts to capture the growth and stability of earnings and dividends for individual stocks. For a portfolio, the quality ranking is a weighted average. The quality rankings classification is as follows: A+ (highest), A (high), A- (above avg.), B+ (average), B (below avg.), B- (lower), C (lowest), D (in reorganization), and LIQ (liquidation).

R-Squared (R²) - represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R² is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R² percentages.

Return on Equity (ROE) - is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Rolling Annualized Performance - measures the consistency of a portfolio's performance. For example, with three-year annualized returns rolled annually, the return shown for a given period is actually an annualized return for a particular year and the previous two years. Since performance is assessed over longer periods, the returns rolled annually give a better indication of trends.

Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.

Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Total Effect - is the sum of all effects.

Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

Depending on the composition of your account and your investment objectives any indices shown in this report may not be an appropriate measure for comparison purposes and are presented for illustration only. The strategy shown in this report does not necessarily seek to track the index, is not restricted to securities in the index and may be more volatile than the index. The benchmark below may differ from the benchmark assigned by the manager, please refer to the GIMA manager report for more details.

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

Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

Important Disclosures

REPORT FOR USE ONLY IN INVESTMENT ADVISORY PROGRAMS

This report is only to be used in Morgan Stanley Smith Barney LLC ("Morgan Stanley") investment advisory programs and not in connection with brokerage accounts.

THE GLOBAL INVESTMENT MANAGER ANALYSIS (GIMA) SERVICES ONLY APPLY TO CERTAIN INVESTMENT ADVISORY PROGRAMS

Global Investment Manager Analysis (GIMA) evaluates certain investment products for the purposes of some - but not all - of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley). If you do not invest through one of these investment advisory programs, Morgan Stanley is not obligated to provide you notice of any GIMA status changes even though it may give notice to clients in other programs.

FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. 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 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 or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.

Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "GIMA At A Glance."

NO OBLIGATION TO UPDATE

Morgan Stanley has no obligation to update you when any information or opinion in this report changes.

STRATEGY MAY BE AVAILABLE AS A SEPARATELY MANAGED ACCOUNT OR MUTUAL FUND

Strategies are sometimes available in Morgan Stanley investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program.

CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

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 report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Net performance information

Net performance results reflect a deduction from the gross performance of three components: 0.625% maximum quarterly (2.5% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time.

The maximum total annual fee chargeable in a Morgan Stanley investment advisory program is generally no more than 3%. If you invest through a program in which your program fee is higher than 3%, then the net results would be lower.

Please see the Select UMA Manager Profile for this investment manager and strategy, for more details on the SMA Manager Fee for this strategy and performance and other information. The Profiles are available from your Financial Advisor and at www.morganstanley.com/ADV. Also, if you select this manager for your account, check the SMA Manager Fees specified in the written confirmation you receive when you open your investment advisory account, in case these have changed since you received the Select UMA Manager Profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Economic Sector Allocations and 10 Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. 10 Largest Holdings lists indicate the largest security holdings in the portfolio, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the fund's investment manager, Morgan Stanley or a third party service provider.

Important Disclosures

SOURCES OF DATA

Material in this report 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.

ASSET CLASS AND OTHER RISKS

Investing in **stocks**, **mutual funds** and **exchange-traded funds ("ETFs")** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios 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 those that diversify among a broad range of sectors.

Value and **growth investing** also carry risks. 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.

International Securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in **emerging markets**.

Small- and mid- capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Ultra-short bond funds generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Real estate investments:** property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be suitable for all investors. There is the possibility of early return of principal due to mortgage prepayments, which can reduce expected yield and result in reinvestment risk. Conversely, return of principal may be slower than initial prepayment speed assumptions, extending the average life of the security up to its listed maturity date (also referred to as extension risk). Additionally, the underlying collateral supporting MBS may default on principal and interest payments. Investments in subordinated MBS involve greater credit risk of default than the senior classes of the same issue.

MBS are also sensitive to interest rate changes which can negatively impact the market value of the security. During times of heightened volatility, MBS can experience greater levels of illiquidity and larger price movements.

Commodities: The commodities markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

Alternative/hedged strategies may use various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative/hedged strategies are not appropriate for all investors. A short sales strategy includes the risk of loss due to an increase in the market value of borrowed securities. Such a strategy may be combined with purchasing long positions in an attempt to improve portfolio performance. A short sales strategy may result in greater losses or lower positive returns than if the portfolio held only long positions, and the portfolio's loss on a short sale is potentially unlimited. The use of leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company. A decrease in the credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In a liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders.

MLPs involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs. The potential return of MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the portfolio's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment.

The current yield of **preferred securities** is calculated by multiplying the coupon by par value divided by the market price. The majority of \$25 and \$1000 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. The initial rate on a floating rate or index-linked preferred security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating/linked index. However, there can be no assurance that these increases will occur.

Convertible securities are convertible to equity at the option of the holder. The market value of the securities, and the underlying common stock into which they are convertible, will fluctuate. In particular, securities whose value depends on the performance of an underlying security entail potentially higher volatility and risk of loss compared to traditional bond investments. You should be aware that the market value of convertible bonds may not correspond directly to increases or decreases in the underlying stock.

NO TAX ADVICE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth 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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

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Kayne Small Cap Quality Value

Status: Focus List

Investment Style: US Small Cap Value

Benchmark: Russell 2000 Value

June 30, 2018 (Q2)

Strategy Description

The Kayne Small Cap Quality Value is considered to be a concentrated low turnover strategy. The investment team employs a disciplined, bottom-up fundamental research approach attempting to identify high-quality companies with the following characteristics: Market Dominance, Financial Strength, Consistent Growth and Management Excellence.

Calvin Roach

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Calvin.Roach@ms.com
212-296-0864

Trailing Returns

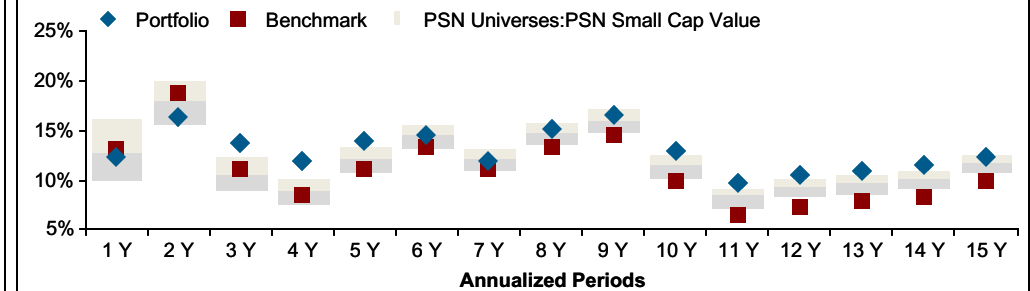
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
Kayne Small Cap Quality Value (Gross)	1.06%	-0.52%	12.37%	13.85%	13.98%	12.07%	12.89%	20.13%	25.79%	-0.20%	2.12%	40.07%	10.10%
Kayne Small Cap Quality Value (Net)	0.30%	-1.98%	9.14%	10.57%	10.69%	8.85%	9.67%	16.72%	22.08%	-3.09%	-0.89%	36.17%	6.91%
Russell 2000 Value	8.30%	5.44%	13.10%	11.22%	11.18%	11.10%	9.88%	7.84%	31.74%	-7.47%	4.22%	34.52%	18.05%
Excess Return (Gross)	-7.24%	-5.96%	-0.73%	2.64%	2.80%	0.97%	3.01%	12.29%	-5.95%	7.27%	-2.10%	5.55%	-7.95%

Past Performance is no guarantee of future results. The source for all charts/tables is FactSet. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of the date of most recent quarter end unless otherwise noted. All data are subject to change.

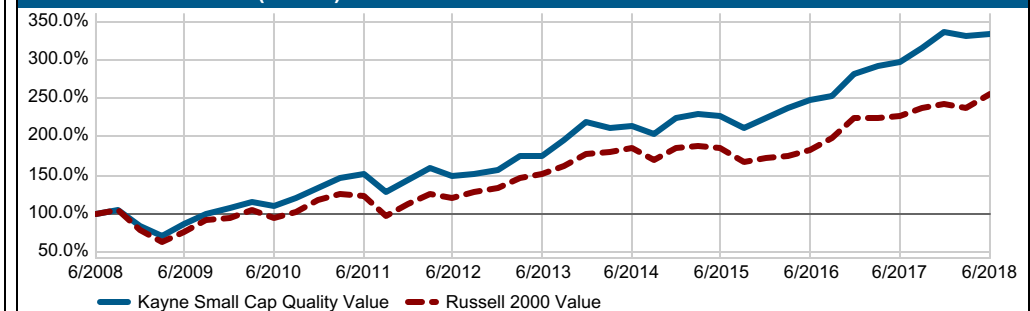
Performance Commentary

- The portfolio underperformed the Russell 2000 Value for the quarter. Stock selection was negative and sector positioning was negative.
- The top contributing sectors were Financials, Consumer Staples, and Information Technology. The top detracting sectors were Real Estate, Health Care, and Consumer Discretionary. From an industry perspective, Thrifts & Mortgage Finance, Banks, and Semiconductors & Semiconductor Equipment added value, while Real Estate Management & Development, Health Care Equipment & Supplies, and Automobiles detracted.
- Within the portfolio, companies with a price/earnings greater than 20.0x detracted from returns. And finally, companies with high beta tended to do better than companies with moderate beta during the quarter.

Peer Group Analysis (Returns)



Investment Growth - (Gross)



INVESTMENT PRODUCTS: NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

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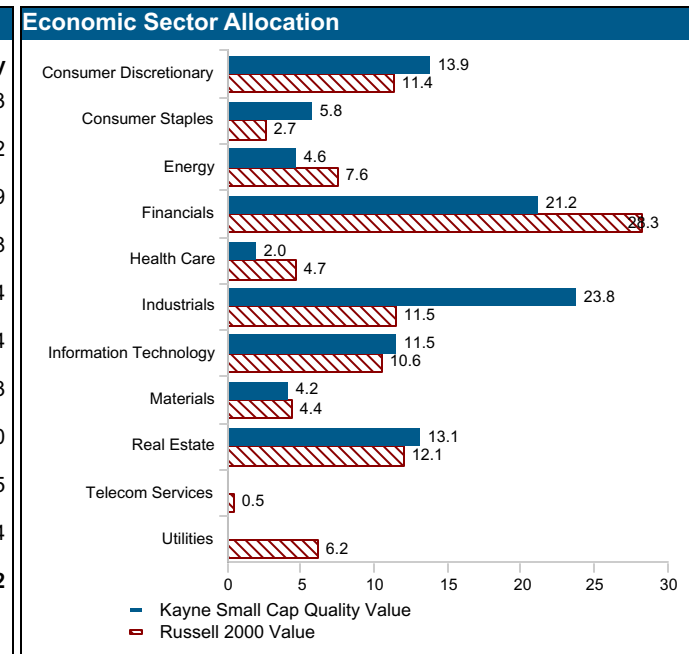
Please use this report in tandem with the associated Manager Profile which contains additional information about this strategy.

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

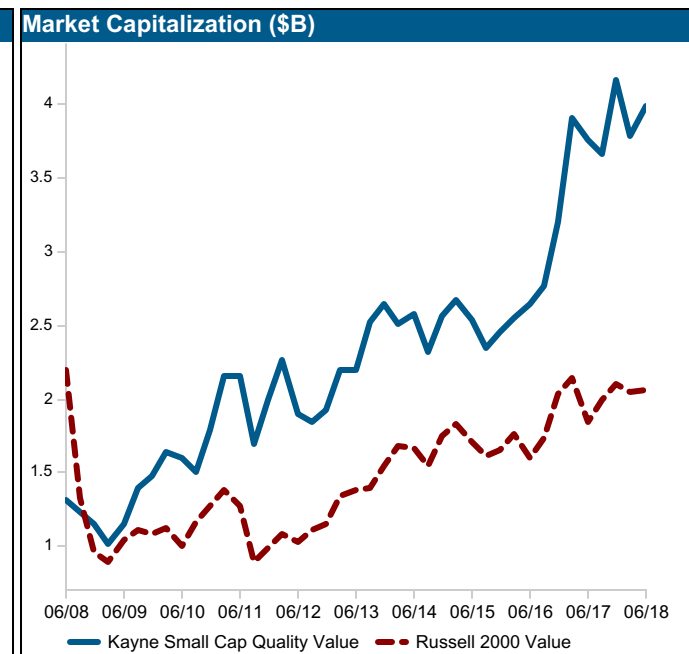
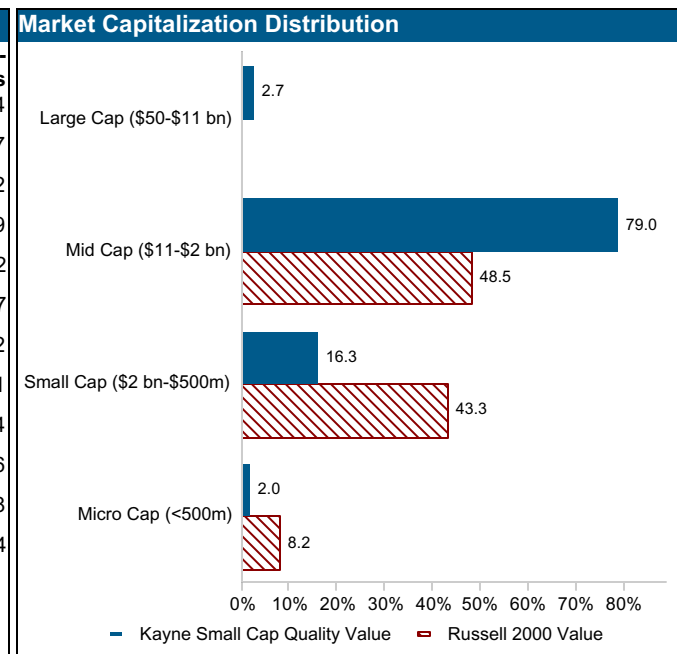
Portfolio Characteristics		
	Strategy	Bmk
# of Securities	28	1364
Market Cap (\$M)	3,980	2,065
P/E - Trailing 12-Mo.	23.5	14.9
Adj. P/E - trailing 12-Mo.	21.8	14.1
P/E - Forecast FY1*	20.4	15.2
Price-to- Book	4.1	1.5
Return on Equity	24.4	6.9
EPS Growth - Forecast*	13.3	9.7
EPS Growth - Hist. 5 Year	7.3	5.4
Active Share	99.70	--

Top 10 Holdings	
	% of Equity
MGM Growth Properties LLC Class A	5.33
SiteOne Landscape Supply, Inc.	5.22
Landstar System, Inc.	5.09
RBC Bearings Incorporated	4.68
Core Laboratories NV	4.64
Bank of Hawaii Corporation	4.54
RE/MAX Holdings, Inc.	4.53
Primerica, Inc.	4.20
Scotts Miracle-Gro Company Class A	4.15
Cinemark Holdings, Inc.	4.04
Total	46.42



*Forecasts based on analysts' consensus

Quarterly Performance				
	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
3Q 2015	-6.99	-7.67	-10.73	3.74
4Q 2015	5.55	4.83	2.88	2.67
1Q 2016	6.12	5.32	1.70	4.42
2Q 2016	4.40	3.63	4.31	0.09
3Q 2016	2.75	2.00	8.87	-6.12
4Q 2016	10.50	9.66	14.07	-3.57
1Q 2017	4.39	3.65	-0.13	4.52
2Q 2017	1.88	1.14	0.67	1.21
3Q 2017	6.15	5.39	5.11	1.04
4Q 2017	6.41	5.65	2.05	4.36
1Q 2018	-1.56	-2.27	-2.64	1.08
2Q 2018	1.06	0.30	8.30	-7.24



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	2.45	-0.01	-1.59	-1.60
Consumer Staples	3.12	-0.07	0.39	0.33
Energy	-2.96	-0.30	-0.16	-0.47
Financials	-7.11	0.34	0.00	0.34
Health Care	-2.64	-0.17	-1.44	-1.60
Industrials	12.24	-0.32	-0.87	-1.18
Information Technology	0.91	0.00	0.02	0.02
Materials	-0.26	0.01	-0.39	-0.38
Real Estate	1.03	0.15	-3.42	-3.27
Telecommunication Services	-0.54	-0.04	--	-0.04
Utilities	-6.23	-0.01	--	-0.01
Total	--	-0.39	-7.45	-7.83

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	2.45	0.01	-2.35	-2.34
Consumer Staples	3.12	-0.19	1.34	1.16
Energy	-2.96	-0.09	0.25	0.16
Financials	-7.11	-0.04	-0.72	-0.76
Health Care	-2.64	-0.07	-2.84	-2.91
Industrials	12.24	-0.18	0.06	-0.12
Information Technology	0.91	0.05	0.42	0.47
Materials	-0.26	0.06	-1.06	-1.00
Real Estate	1.03	0.12	-1.22	-1.11
Telecommunication Services	-0.54	0.02	--	0.02
Utilities	-6.23	0.26	--	0.26
Total	--	-0.07	-6.12	-6.19

Top Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Core Laboratories NV	4.49	0.70	Financials	20.90	0.93
MGM Growth Properties LLC...	4.78	0.67	Information Technology	11.42	0.84
Cheesecake Factory Incorp...	3.37	0.45	Consumer Staples	5.37	0.72
Houlihan Lokey, Inc. Clas...	2.85	0.42	Energy	4.49	0.70
WD-40 Company	3.72	0.41	Industrials	24.41	0.52

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
WD-40 Company	4.16	0.98	Consumer Staples	5.17	1.26
Core Laboratories NV	4.22	0.65	Information Technology	12.31	1.02
RE/MAX Holdings, Inc.	4.92	0.49	Industrials	24.04	1.00
Cheesecake Factory Incorp...	3.17	0.48	Energy	4.22	0.65
First Financial Bankshare...	3.43	0.46	Financials	19.83	0.21

Bottom Contributors to Performance

Current Quarter

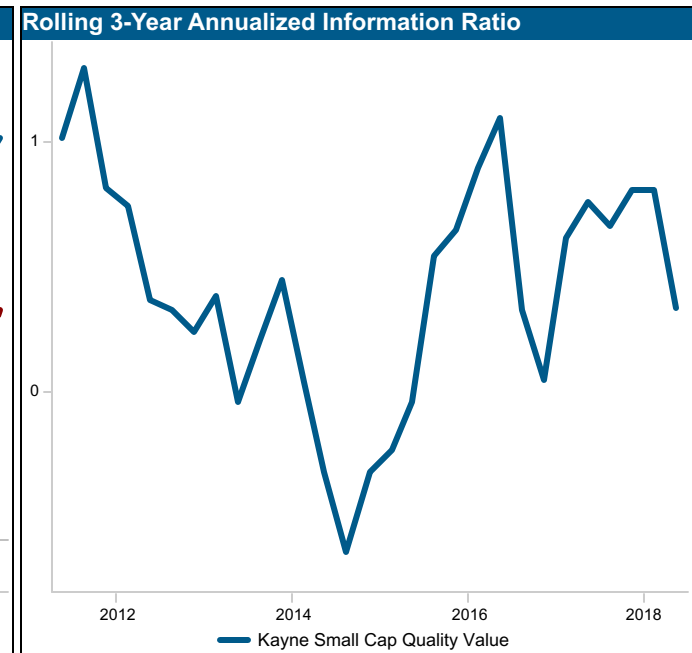
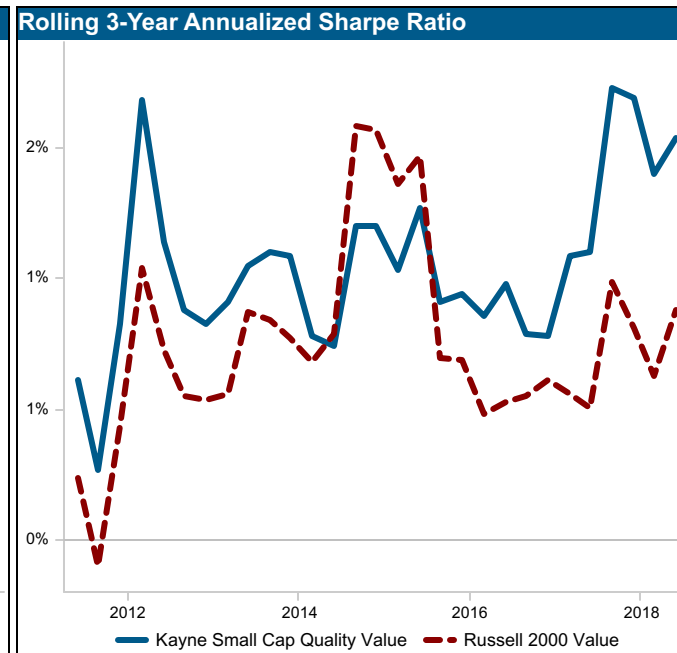
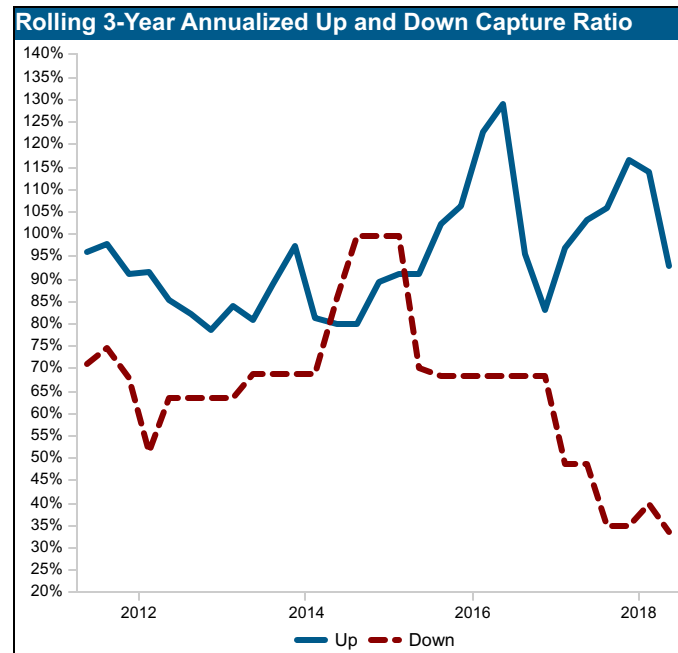
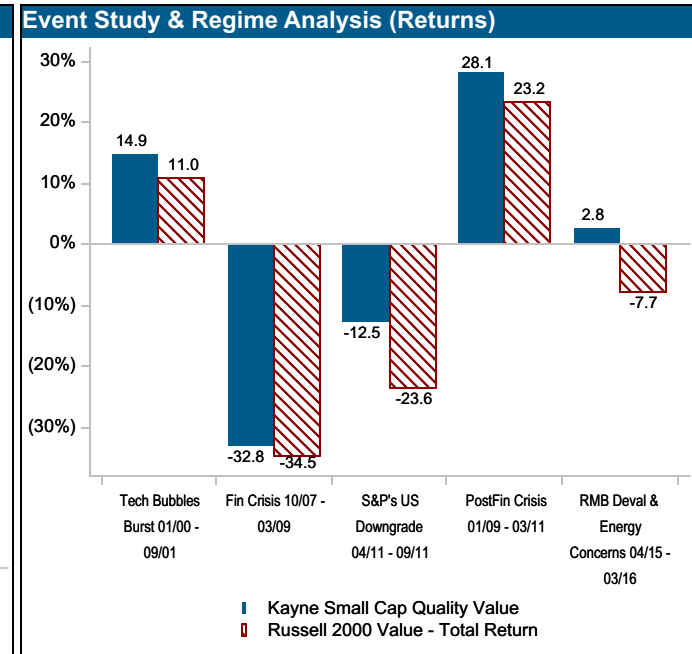
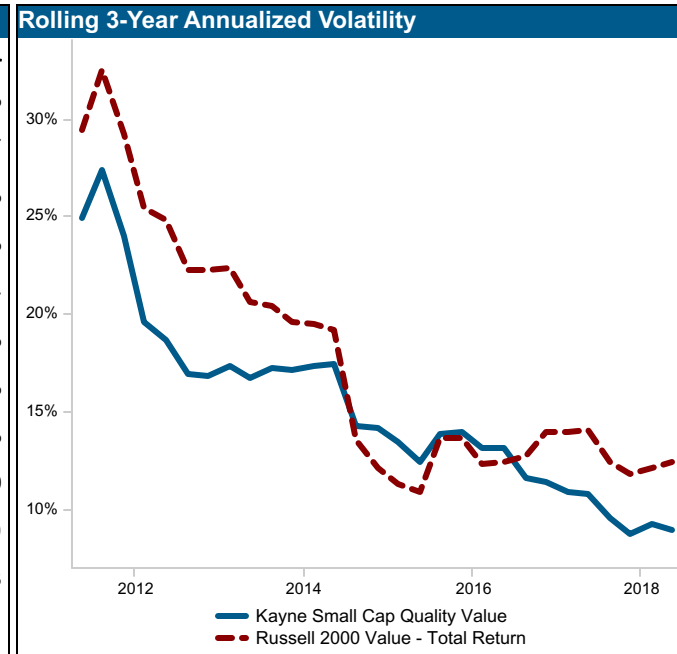
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
HFF, Inc. Class A	3.63	-1.54	Real Estate	13.22	-1.56
Anika Therapeutics, Inc.	2.61	-1.10	Health Care	2.61	-1.10
RE/MAX Holdings, Inc.	4.81	-0.69	Consumer Discretionary	13.40	-0.52
Thor Industries, Inc.	3.73	-0.65	Materials	4.18	-0.08
Cinemark Holdings, Inc.	4.27	-0.30	Industrials	24.41	0.52

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Thor Industries, Inc.	4.28	-1.83	Health Care	3.75	-2.17
Anika Therapeutics, Inc.	3.02	-1.45	Consumer Discretionary	13.61	-1.51
HFF, Inc. Class A	4.04	-1.25	Materials	4.13	-0.91
Scotts Miracle-Gro Compan...	4.13	-0.91	Real Estate	12.94	-0.34
Patterson Companies, Inc.	0.73	-0.72	Financials	19.83	0.21

Portfolio Performance and Risk Statistics (NAV)

Risk Statistics vs. Benchmark	3-Year	5-Year
Alpha	7.5%	5.6%
Beta	0.5	0.7
R2	57.5%	64.6%
Tracking Error	8.2%	7.3%
Information Ratio	0.3	0.4
Batting Average	75.0%	70.0%
Up Capture Ratio	93.0%	99.3%
Down Capture Ratio	33.5%	50.4%
Standard Deviation	9.0	11.0
Standard Deviation (Bmk)	12.5	12.0
Sharpe Ratio	1.5	1.3



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.

ADRs - American Depository Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.

Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.

Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.

Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation - a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.

Duration - quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.

EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.

Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Market Cap (\$M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.

Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.

Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.

P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Peer Group Analysis - using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile.

Price-to-Book - price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Quality - Based upon per-share earnings and dividend records of the most recent 10 years, this ranking system attempts to capture the growth and stability of earnings and dividends for individual stocks. For a portfolio, the quality ranking is a weighted average. The quality rankings classification is as follows: A+ (highest), A (high), A- (above avg.), B+ (average), B (below avg.), B- (lower), C (lowest), D (in reorganization), and LIQ (liquidation).

R-Squared (R²) - represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R² is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R² percentages.

Return on Equity (ROE) - is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Rolling Annualized Performance - measures the consistency of a portfolio's performance. For example, with three-year annualized returns rolled annually, the return shown for a given period is actually an annualized return for a particular year and the previous two years. Since performance is assessed over longer periods, the returns rolled annually give a better indication of trends.

Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.

Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Total Effect - is the sum of all effects.

Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

Depending on the composition of your account and your investment objectives any indices shown in this report may not be an appropriate measure for comparison purposes and are presented for illustration only. The strategy shown in this report does not necessarily seek to track the index, is not restricted to securities in the index and may be more volatile than the index. The benchmark below may differ from the benchmark assigned by the manager, please refer to the GIMA manager report for more details.

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

Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Important Disclosures

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FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. 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 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 or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.

Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "GIMA At A Glance."

NO OBLIGATION TO UPDATE

Morgan Stanley has no obligation to update you when any information or opinion in this report changes.

STRATEGY MAY BE AVAILABLE AS A SEPARATELY MANAGED ACCOUNT OR MUTUAL FUND

Strategies are sometimes available in Morgan Stanley investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program.

CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

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 report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Net performance information

Net performance results reflect a deduction from the gross performance of three components: 0.625% maximum quarterly (2.5% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time.

The maximum total annual fee chargeable in a Morgan Stanley investment advisory program is generally no more than 3%. If you invest through a program in which your program fee is higher than 3%, then the net results would be lower.

Please see the Select UMA Manager Profile for this investment manager and strategy, for more details on the SMA Manager Fee for this strategy and performance and other information. The Profiles are available from your Financial Advisor and at www.morganstanley.com/ADV. Also, if you select this manager for your account, check the SMA Manager Fees specified in the written confirmation you receive when you open your investment advisory account, in case these have changed since you received the Select UMA Manager Profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Economic Sector Allocations and 10 Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. 10 Largest Holdings lists indicate the largest security holdings in the portfolio, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the fund's investment manager, Morgan Stanley or a third party service provider.

Important Disclosures

SOURCES OF DATA

Material in this report 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.

ASSET CLASS AND OTHER RISKS

Investing in **stocks**, **mutual funds** and **exchange-traded funds ("ETFs")** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios 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 those that diversify among a broad range of sectors.

Value and **growth investing** also carry risks. 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.

International Securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in **emerging markets**.

Small- and mid- capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Ultra-short bond funds generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Real estate investments:** property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be suitable for all investors. There is the possibility of early return of principal due to mortgage prepayments, which can reduce expected yield and result in reinvestment risk. Conversely, return of principal may be slower than initial prepayment speed assumptions, extending the average life of the security up to its listed maturity date (also referred to as extension risk). Additionally, the underlying collateral supporting MBS may default on principal and interest payments. Investments in subordinated MBS involve greater credit risk of default than the senior classes of the same issue.

MBS are also sensitive to interest rate changes which can negatively impact the market value of the security. During times of heightened volatility, MBS can experience greater levels of illiquidity and larger price movements.

Commodities: The commodities markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

Alternative/hedged strategies may use various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative/hedged strategies are not appropriate for all investors. A short sales strategy includes the risk of loss due to an increase in the market value of borrowed securities. Such a strategy may be combined with purchasing long positions in an attempt to improve portfolio performance. A short sales strategy may result in greater losses or lower positive returns than if the portfolio held only long positions, and the portfolio's loss on a short sale is potentially unlimited. The use of leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company. A decrease in the credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In a liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders.

MLPs involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs. The potential return of MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the portfolio's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment.

The current yield of **preferred securities** is calculated by multiplying the coupon by par value divided by the market price. The majority of \$25 and \$1000 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. The initial rate on a floating rate or index-linked preferred security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating/linked index. However, there can be no assurance that these increases will occur.

Convertible securities are convertible to equity at the option of the holder. The market value of the securities, and the underlying common stock into which they are convertible, will fluctuate. In particular, securities whose value depends on the performance of an underlying security entail potentially higher volatility and risk of loss compared to traditional bond investments. You should be aware that the market value of convertible bonds may not correspond directly to increases or decreases in the underlying stock.

NO TAX ADVICE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth 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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

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Geneva Small Cap Growth

Status: Focus List

Investment Style: US Small Cap Growth

Benchmark: Russell 2000 Growth

June 30, 2018 (Q2)

Strategy Description

The strategy seeks to invest in high quality companies with above average historical and projected earnings growth. Geneva focuses on companies that they believe have a sustainable competitive advantage, industry leadership, experienced management and solid financials.

Margarita Triantafyllidou

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Trailing Returns

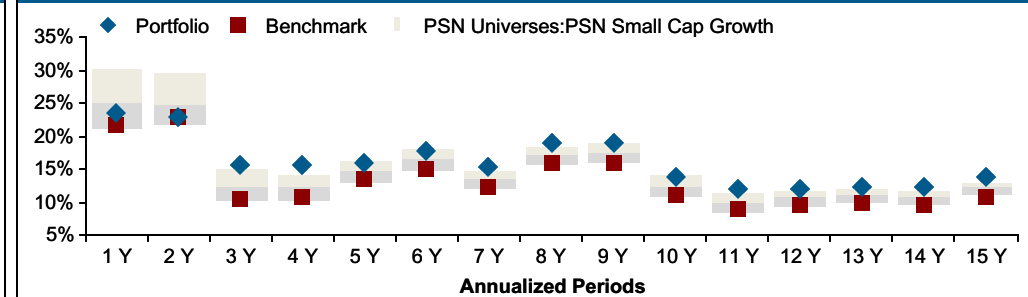
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
Geneva Small Cap Growth (Gross)	6.20%	12.36%	23.60%	15.82%	16.06%	15.43%	14.03%	23.62%	11.99%	11.69%	-1.76%	45.18%	17.78%
Geneva Small Cap Growth (Net)	5.41%	10.73%	20.01%	12.44%	12.67%	12.06%	10.69%	20.02%	8.61%	8.44%	-4.68%	41.08%	14.33%
Russell 2000 Growth	7.23%	9.70%	21.86%	10.60%	13.65%	12.50%	11.24%	22.17%	11.32%	-1.38%	5.60%	43.30%	14.59%
Excess Return (Gross)	-1.03%	2.66%	1.73%	5.22%	2.41%	2.93%	2.79%	1.45%	0.67%	13.07%	-7.37%	1.88%	3.19%

Past Performance is no guarantee of future results. The source for all charts/tables is FactSet. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of the date of most recent quarter end unless otherwise noted. All data are subject to change.

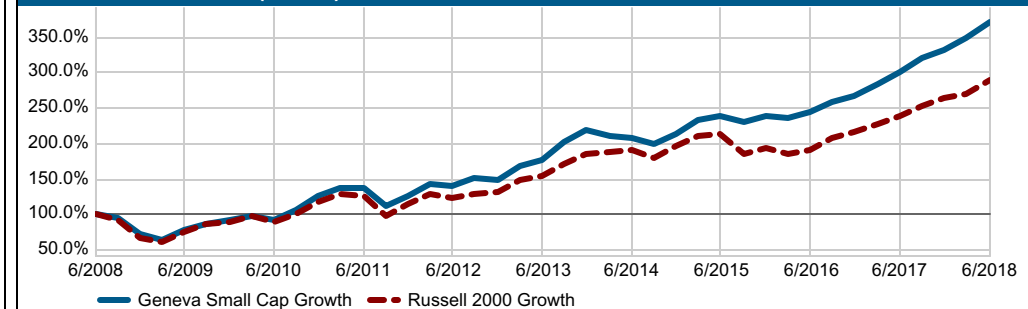
Performance Commentary

- The portfolio underperformed the Russell 2000 Growth for the quarter. Stock selection was negative and sector positioning was negative.
- The top contributing sectors were Health Care, Materials, and Consumer Discretionary. The top detracting sectors were Financials, Industrials, and Information Technology. From an industry perspective, Pharmaceuticals, Auto Components, and Semiconductors & Semiconductor Equipment added value, while Internet Software & Services, Capital Markets, and Airlines detracted.
- Within the portfolio, companies with a price/earnings between 16.0x and 20.0x contributed to returns while companies with a price/earnings greater than 20.0x detracted. And finally, companies with high beta tended to do better than companies with moderate beta during the quarter.

Peer Group Analysis (Returns)



Investment Growth - (Gross)



INVESTMENT PRODUCTS: NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

This report is only to be used in connection with investment advisory programs and not brokerage accounts.

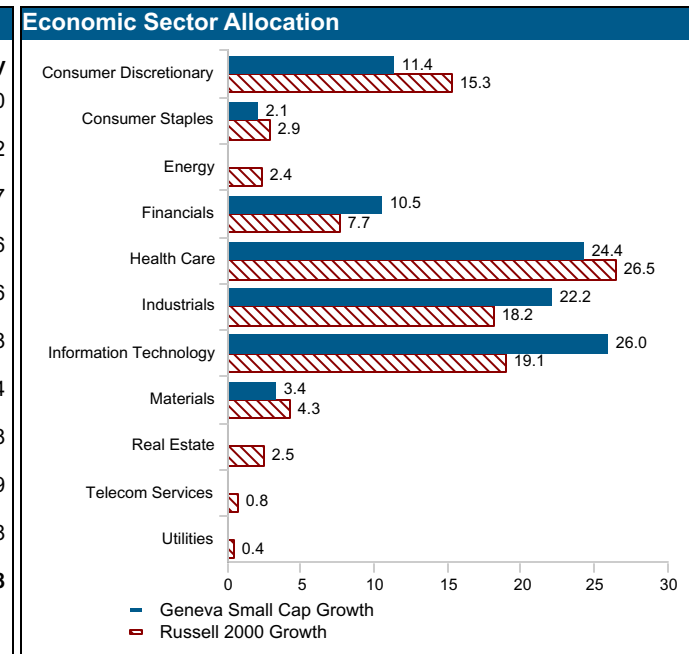
Please use this report in tandem with the associated Manager Profile which contains additional information about this strategy.

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

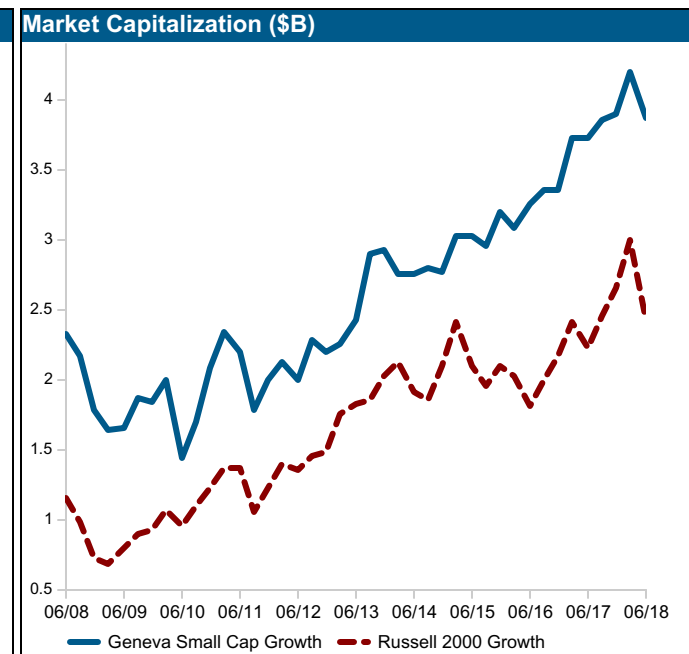
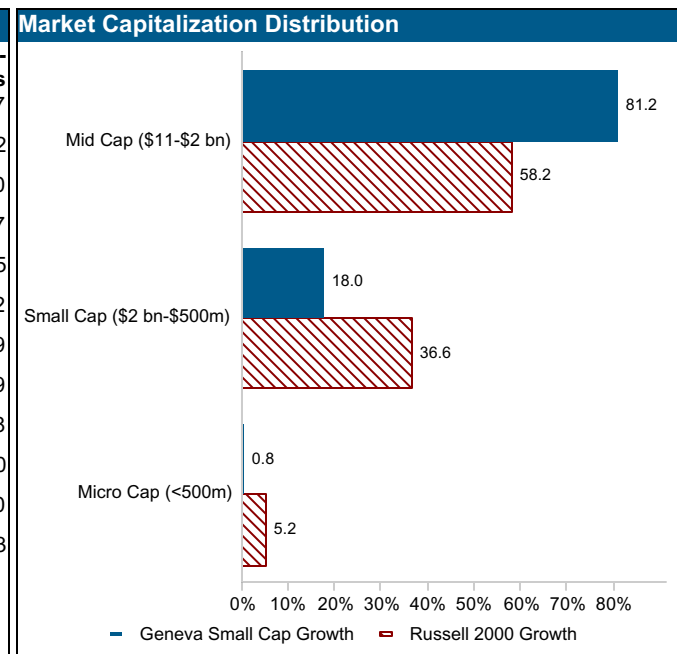
Portfolio Characteristics	Strategy	Bmk
# of Securities	59	1225
Market Cap (\$M)	3,877	2,431
P/E - Trailing 12-Mo.	34.9	25.1
Adj. P/E - trailing 12-Mo.	33.6	23.4
P/E - Forecast FY1*	28.9	21.1
Price-to- Book	4.8	4.3
Return on Equity	16.0	4.5
EPS Growth - Forecast*	15.6	17.1
EPS Growth - Hist. 5 Year	17.6	11.9
Active Share	91.08	--

Top 10 Holdings	% of Equity
Neogen Corporation	2.90
Tyler Technologies, Inc.	2.72
Blackbaud, Inc.	2.67
Cantel Medical Corp.	2.66
Paycom Software, Inc.	2.66
Bright Horizons Family Solutions, Inc.	2.58
Medidata Solutions, Inc.	2.54
Exponent, Inc.	2.38
RBC Bearings Incorporated	2.29
MarketAxess Holdings Inc.	2.28
Total	25.68



*Forecasts based on analysts' consensus

Quarterly Performance	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
3Q 2015	-3.39	-4.08	-13.06	9.67
4Q 2015	3.40	2.66	4.32	-0.92
1Q 2016	-1.08	-1.86	-4.68	3.60
2Q 2016	4.01	3.23	3.24	0.77
3Q 2016	4.77	4.00	9.22	-4.45
4Q 2016	3.89	3.08	3.57	0.32
1Q 2017	6.64	5.86	5.35	1.29
2Q 2017	5.38	4.61	4.39	0.99
3Q 2017	6.60	5.81	6.22	0.38
4Q 2017	3.19	2.43	4.59	-1.40
1Q 2018	5.80	5.05	2.30	3.50
2Q 2018	6.20	5.41	7.23	-1.03



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-3.88	-0.05	0.36	0.31
Consumer Staples	-0.84	-0.06	-0.09	-0.14
Energy	-2.43	-0.11	--	-0.11
Financials	2.85	-0.17	-0.81	-0.98
Health Care	-2.03	0.02	1.18	1.20
Industrials	3.99	-0.27	-0.68	-0.95
Information Technology	6.92	-0.01	-0.36	-0.36
Materials	-0.88	0.06	0.32	0.38
Real Estate	-2.51	-0.01	--	-0.01
Telecommunication Services	-0.77	-0.01	--	-0.01
Utilities	-0.41	0.01	--	0.01
Total	--	-0.81	-0.04	-0.84

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-3.88	0.19	1.04	1.23
Consumer Staples	-0.84	-0.02	-0.17	-0.19
Energy	-2.43	0.12	0.00	0.13
Financials	2.85	-0.16	-0.19	-0.35
Health Care	-2.03	0.08	2.62	2.70
Industrials	3.99	-0.60	-0.20	-0.80
Information Technology	6.92	0.07	-0.42	-0.35
Materials	-0.88	0.12	0.31	0.43
Real Estate	-2.51	0.36	0.05	0.41
Telecommunication Services	-0.77	0.02	--	0.02
Utilities	-0.41	0.12	--	0.12
Total	--	0.05	3.28	3.33

Top Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Tactile Systems Technolog...	1.30	0.63	Health Care	24.72	3.43
Medidata Solutions, Inc.	2.40	0.60	Information Technology	25.69	1.62
Exponent, Inc.	2.29	0.49	Consumer Discretionary	10.92	1.43
Fox Factory Holding Corp.	1.65	0.49	Materials	3.31	0.37
Neogen Corporation	2.71	0.49	Consumer Staples	1.95	0.21

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
ABIOMED, Inc.	1.95	1.85	Health Care	25.07	6.68
HealthEquity Inc	1.82	0.89	Information Technology	25.34	4.06
Tyler Technologies, Inc.	2.97	0.76	Consumer Discretionary	10.33	1.84
Exponent, Inc.	2.16	0.73	Financials	11.63	0.62
Neogen Corporation	2.59	0.70	Materials	2.80	0.31

Bottom Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Allegiant Travel Company	2.05	-0.44	Financials	11.51	-0.36
Beacon Roofing Supply, In...	1.46	-0.37	Industrials	21.89	-0.33
Cantel Medical Corp.	3.10	-0.32	Consumer Staples	1.95	0.21
Middleby Corporation	1.55	-0.27	Materials	3.31	0.37
MarketAxess Holdings Inc.	2.44	-0.23	Consumer Discretionary	10.92	1.43

Year to Date

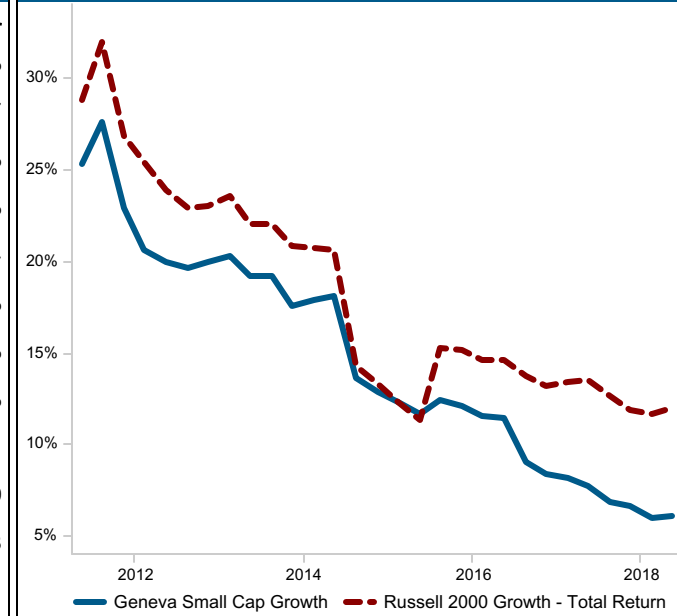
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Beacon Roofing Supply, In...	1.55	-0.71	Industrials	22.90	-0.72
Healthcare Services Group...	2.01	-0.50	Energy	0.01	-0.06
Middleby Corporation	1.73	-0.34	Consumer Staples	1.89	0.00
Cognex Corporation	0.81	-0.32	Real Estate	0.02	0.00
Natus Medical Incorporate...	0.09	-0.32	Materials	2.80	0.31

Portfolio Performance and Risk Statistics (NAV)

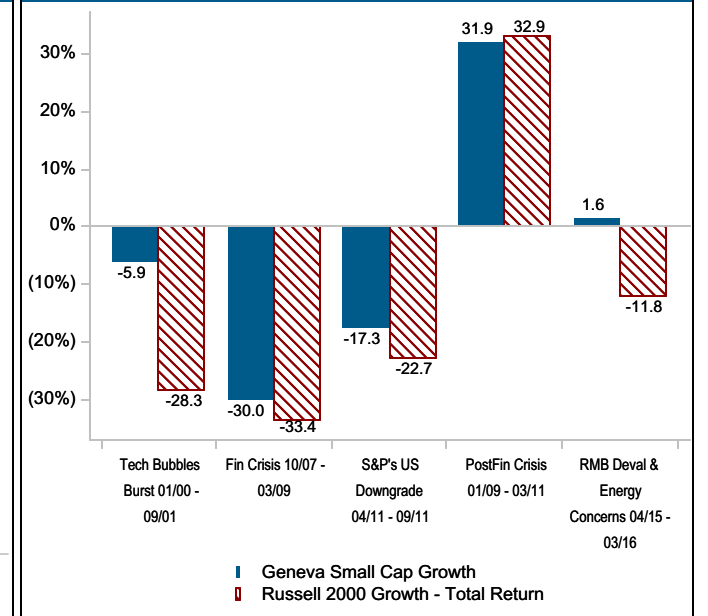
Risk Statistics vs. Benchmark

	3-Year	5-Year
Alpha	10.5%	6.8%
Beta	0.5	0.7
R2	81.5%	71.7%
Tracking Error	6.9%	6.4%
Information Ratio	0.8	0.4
Batting Average	66.7%	60.0%
Up Capture Ratio	98.9%	88.9%
Down Capture Ratio	25.9%	33.9%
Standard Deviation	6.2	9.1
Standard Deviation (Bmk)	12.0	11.9
Sharpe Ratio	2.6	1.8

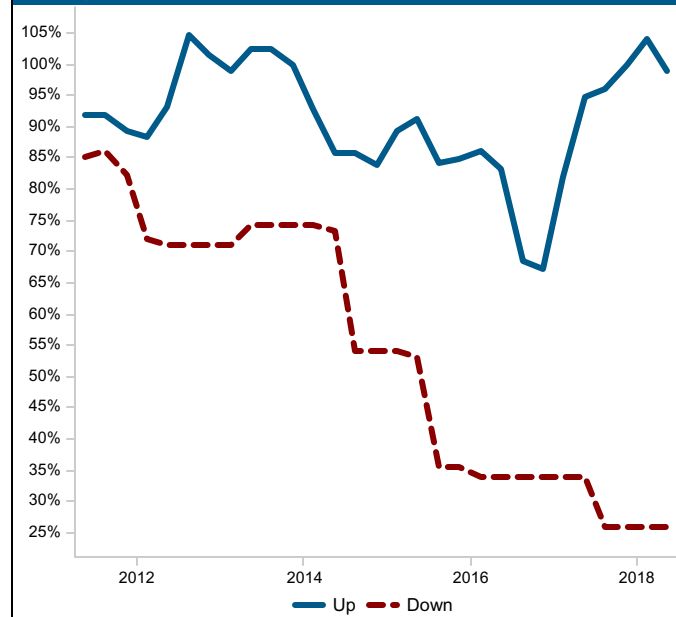
Rolling 3-Year Annualized Volatility



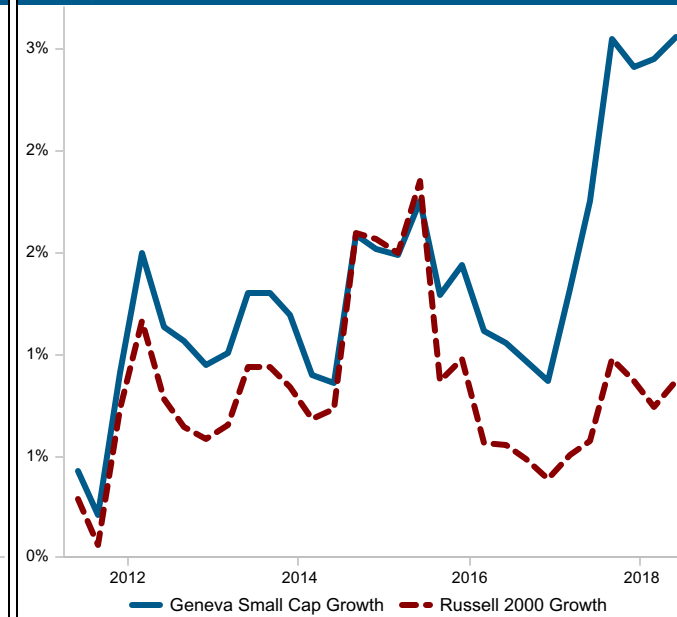
Event Study & Regime Analysis (Returns)



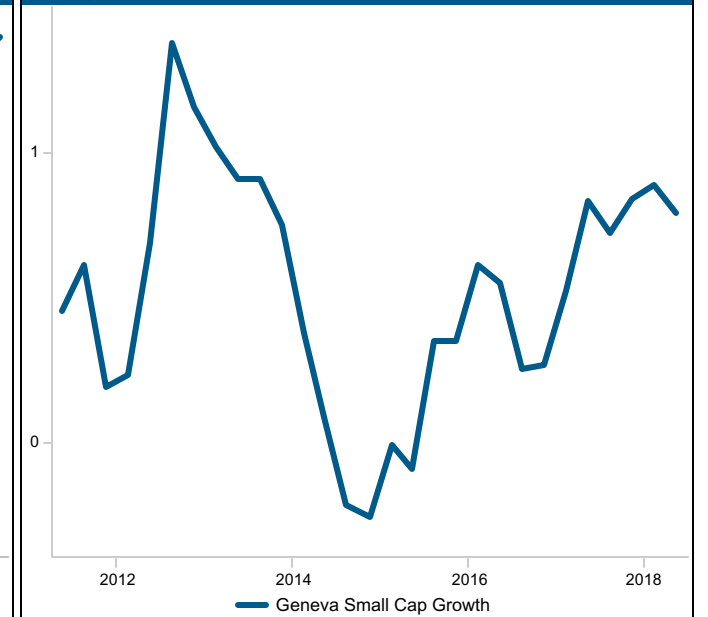
Rolling 3-Year Annualized Up and Down Capture Ratio



Rolling 3-Year Annualized Sharpe Ratio



Rolling 3-Year Annualized Information Ratio



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.

ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.

Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.

Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.

Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation - a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.

Duration - quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.

EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.

Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Market Cap (\$M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.

Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.

Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.

P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Peer Group Analysis - using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile.

Price-to-Book - price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Quality - Based upon per-share earnings and dividend records of the most recent 10 years, this ranking system attempts to capture the growth and stability of earnings and dividends for individual stocks. For a portfolio, the quality ranking is a weighted average. The quality rankings classification is as follows: A+ (highest), A (high), A- (above avg.), B+ (average), B (below avg.), B- (lower), C (lowest), D (in reorganization), and LIQ (liquidation).

R-Squared (R²) - represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R² is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R² percentages.

Return on Equity (ROE) - is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Rolling Annualized Performance - measures the consistency of a portfolio's performance. For example, with three-year annualized returns rolled annually, the return shown for a given period is actually an annualized return for a particular year and the previous two years. Since performance is assessed over longer periods, the returns rolled annually give a better indication of trends.

Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.

Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Total Effect - is the sum of all effects.

Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

Depending on the composition of your account and your investment objectives any indices shown in this report may not be an appropriate measure for comparison purposes and are presented for illustration only. The strategy shown in this report does not necessarily seek to track the index, is not restricted to securities in the index and may be more volatile than the index. The benchmark below may differ from the benchmark assigned by the manager, please refer to the GIMA manager report for more details.

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

Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Important Disclosures

REPORT FOR USE ONLY IN INVESTMENT ADVISORY PROGRAMS

This report is only to be used in Morgan Stanley Smith Barney LLC ("Morgan Stanley") investment advisory programs and not in connection with brokerage accounts.

THE GLOBAL INVESTMENT MANAGER ANALYSIS (GIMA) SERVICES ONLY APPLY TO CERTAIN INVESTMENT ADVISORY PROGRAMS

Global Investment Manager Analysis (GIMA) evaluates certain investment products for the purposes of some - but not all - of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley). If you do not invest through one of these investment advisory programs, Morgan Stanley is not obligated to provide you notice of any GIMA status changes even though it may give notice to clients in other programs.

FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. 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 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 or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.

Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "GIMA At A Glance."

NO OBLIGATION TO UPDATE

Morgan Stanley has no obligation to update you when any information or opinion in this report changes.

STRATEGY MAY BE AVAILABLE AS A SEPARATELY MANAGED ACCOUNT OR MUTUAL FUND

Strategies are sometimes available in Morgan Stanley investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program.

CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

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 report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Net performance information

Net performance results reflect a deduction from the gross performance of three components: 0.625% maximum quarterly (2.5% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time.

The maximum total annual fee chargeable in a Morgan Stanley investment advisory program is generally no more than 3%. If you invest through a program in which your program fee is higher than 3%, then the net results would be lower.

Please see the Select UMA Manager Profile for this investment manager and strategy, for more details on the SMA Manager Fee for this strategy and performance and other information. The Profiles are available from your Financial Advisor and at www.morganstanley.com/ADV. Also, if you select this manager for your account, check the SMA Manager Fees specified in the written confirmation you receive when you open your investment advisory account, in case these have changed since you received the Select UMA Manager Profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index. Performance of indices may be more or less volatile than any investment product. The risk of loss in value of a specific investment (such as with an investment manager or in a fund) is not the same as the risk of loss in a broad market index. Therefore, the historical returns of an index will not be the same as the historical returns of a particular investment product.

Other data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Economic Sector Allocations and 10 Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. 10 Largest Holdings lists indicate the largest security holdings in the portfolio, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the fund's investment manager, Morgan Stanley or a third party service provider.

Important Disclosures

SOURCES OF DATA

Material in this report 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.

ASSET CLASS AND OTHER RISKS

Investing in **stocks**, **mutual funds** and **exchange-traded funds ("ETFs")** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios 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 those that diversify among a broad range of sectors.

Value and **growth investing** also carry risks. 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.

International Securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in **emerging markets**.

Small- and mid- capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Ultra-short bond funds generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Real estate investments:** property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be suitable for all investors. There is the possibility of early return of principal due to mortgage prepayments, which can reduce expected yield and result in reinvestment risk. Conversely, return of principal may be slower than initial prepayment speed assumptions, extending the average life of the security up to its listed maturity date (also referred to as extension risk). Additionally, the underlying collateral supporting MBS may default on principal and interest payments. Investments in subordinated MBS involve greater credit risk of default than the senior classes of the same issue.

MBS are also sensitive to interest rate changes which can negatively impact the market value of the security. During times of heightened volatility, MBS can experience greater levels of illiquidity and larger price movements.

Commodities: The commodities markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

Alternative/hedged strategies may use various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative/hedged strategies are not appropriate for all investors. A short sales strategy includes the risk of loss due to an increase in the market value of borrowed securities. Such a strategy may be combined with purchasing long positions in an attempt to improve portfolio performance. A short sales strategy may result in greater losses or lower positive returns than if the portfolio held only long positions, and the portfolio's loss on a short sale is potentially unlimited. The use of leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company. A decrease in the credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In a liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders.

MLPs involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs. The potential return of MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the portfolio's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment.

The current yield of **preferred securities** is calculated by multiplying the coupon by par value divided by the market price. The majority of \$25 and \$1000 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. The initial rate on a floating rate or index-linked preferred security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating/linked index. However, there can be no assurance that these increases will occur.

Convertible securities are convertible to equity at the option of the holder. The market value of the securities, and the underlying common stock into which they are convertible, will fluctuate. In particular, securities whose value depends on the performance of an underlying security entail potentially higher volatility and risk of loss compared to traditional bond investments. You should be aware that the market value of convertible bonds may not correspond directly to increases or decreases in the underlying stock.

NO TAX ADVICE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth 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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

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Strategy Description

The strategy uses top-down and bottom-up analysis to build a high conviction portfolio of companies based on valuation, financial quality and cash flow return on invested capital.

Brian Glanz

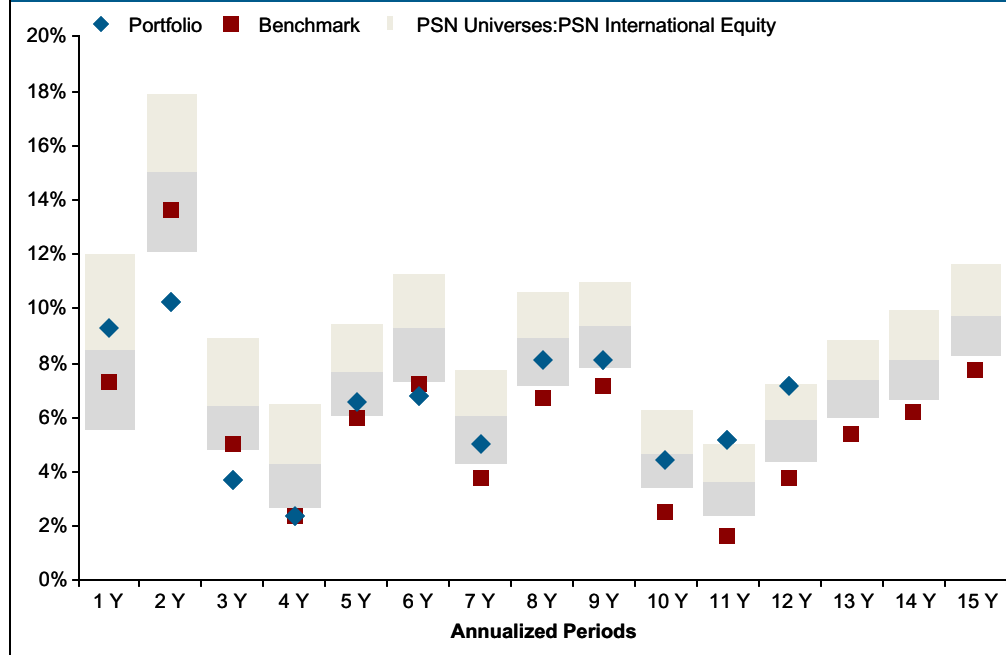
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Trailing Returns

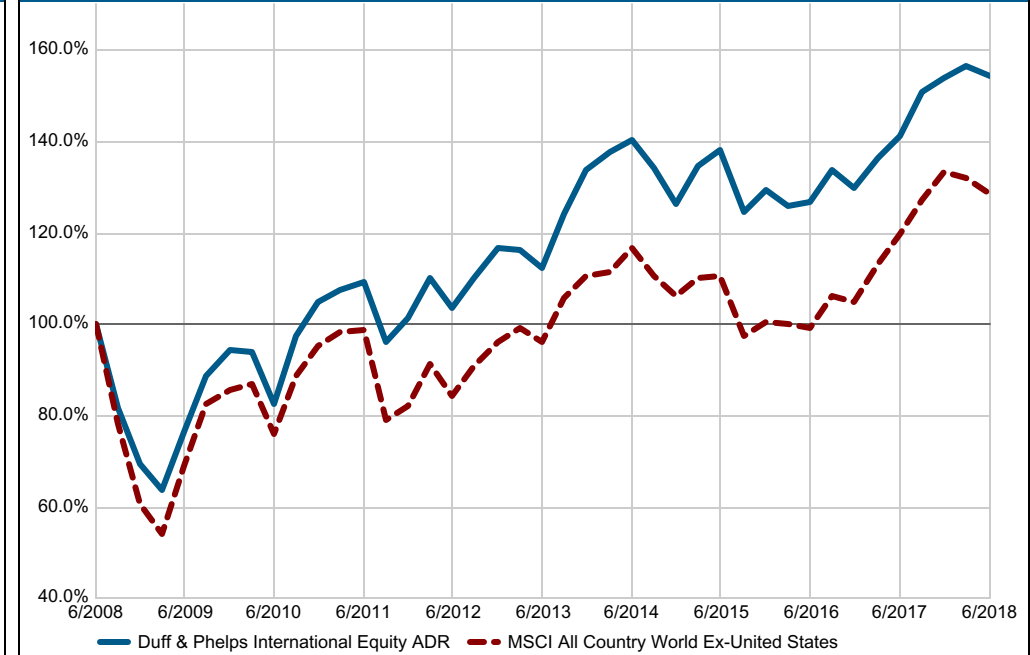
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
Duff & Phelps International Equity ADR (Gross)	-1.37%	0.14%	9.27%	3.68%	6.55%	5.07%	4.43%	18.74%	0.14%	2.35%	-5.51%	14.53%	15.45%
Duff & Phelps International Equity ADR (Net)	-2.08%	-1.26%	6.22%	0.67%	3.47%	2.06%	1.43%	15.28%	-2.75%	-0.65%	-8.29%	11.33%	12.18%
MSCI AC World Index ex USA - Net Return	-2.61%	-3.77%	7.28%	5.07%	5.99%	3.81%	2.54%	27.19%	4.50%	-5.66%	-3.87%	15.29%	16.83%
Excess Return (Gross)	1.24%	3.91%	1.99%	-1.39%	0.55%	1.26%	1.89%	-8.45%	-4.36%	8.01%	-1.64%	-0.76%	-1.38%

Past Performance is no guarantee of future results. The source for all charts/tables is FactSet. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of the date of most recent quarter end unless otherwise noted. All data are subject to change.

Peer Group Analysis (Returns)



Investment Growth - (Gross)



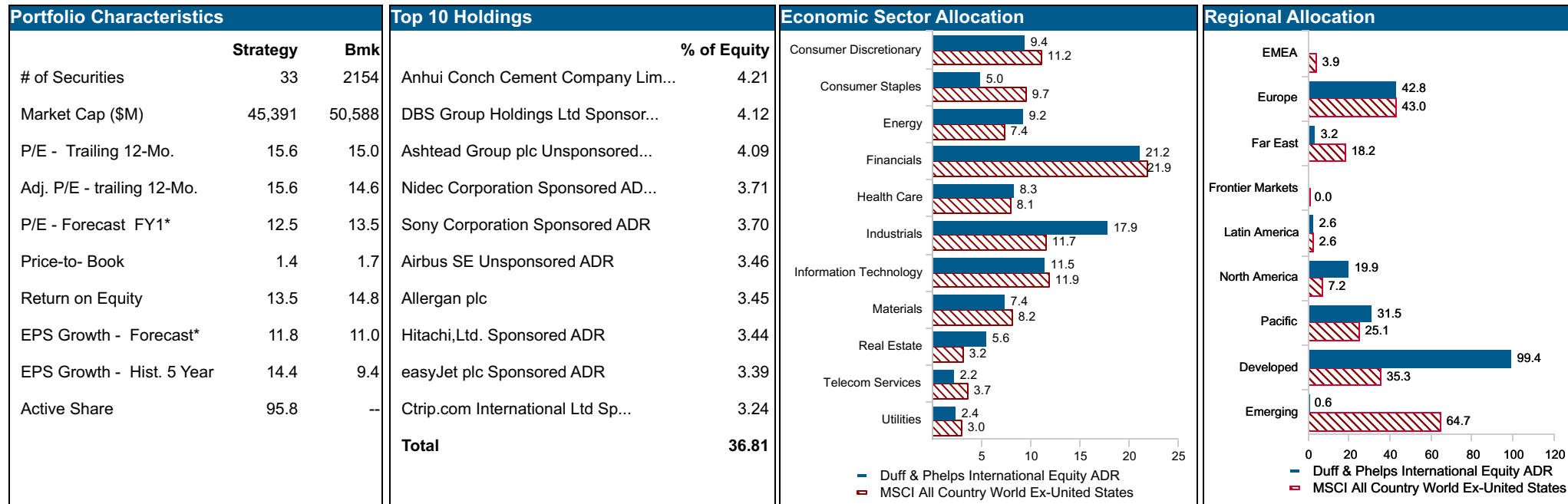
INVESTMENT PRODUCTS: NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

This report is only to be used in connection with investment advisory programs and not brokerage accounts.

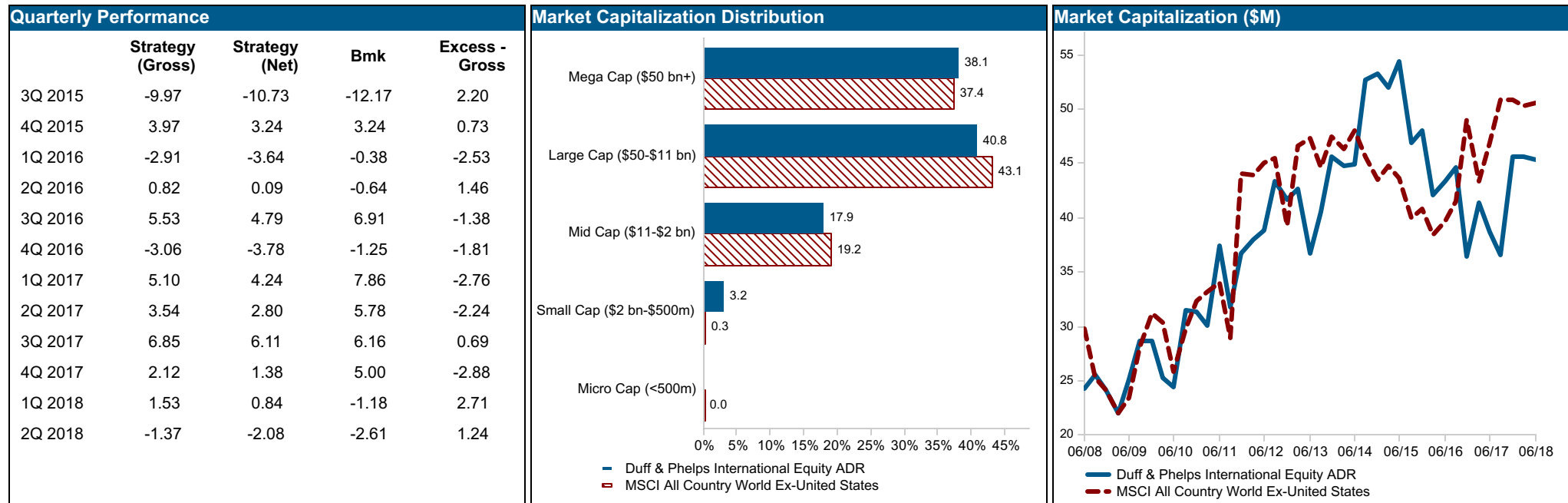
Please use this report in tandem with the associated Manager Profile which contains additional information about this strategy.

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics



*Forecasts based on analysts' consensus



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-1.85	-0.00	0.39	0.39
Consumer Staples	-4.68	-0.10	0.02	-0.08
Energy	1.80	0.07	0.05	0.12
Financials	-0.66	-0.11	-0.60	-0.71
Health Care	0.17	-0.05	0.04	-0.01
Industrials	6.19	-0.02	1.11	1.09
Information Technology	-0.46	0.01	0.57	0.58
Materials	-0.79	0.15	-0.48	-0.33
Real Estate	2.38	-0.01	0.42	0.42
Telecommunication Services	-1.47	0.06	-0.12	-0.06
Utilities	-0.63	-0.01	-0.13	-0.14
Total	--	-0.01	1.28	1.27

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-1.85	0.00	0.40	0.41
Consumer Staples	-4.68	-0.02	0.51	0.49
Energy	1.80	0.07	0.37	0.44
Financials	-0.66	-0.09	0.34	0.26
Health Care	0.17	-0.08	0.25	0.17
Industrials	6.19	-0.07	2.32	2.25
Information Technology	-0.46	0.02	-0.38	-0.36
Materials	-0.79	0.07	0.01	0.08
Real Estate	2.38	0.01	0.58	0.59
Telecommunication Services	-1.47	0.12	-0.27	-0.15
Utilities	-0.63	-0.04	-0.34	-0.39
Total	--	-0.01	3.80	3.79

Regional Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-3.86	0.24	--	0.24
Europe	-0.24	-0.02	-0.51	-0.53
Far East	-14.93	0.50	0.25	0.76
Frontier Markets	-0.02	0.01	--	0.01
Latin America	0.04	0.06	0.41	0.48
North America	12.68	0.65	-0.01	0.64
Pacific	6.33	0.11	-0.43	-0.32
Total	--	1.55	-0.28	1.27

Regional Attribution - Year to Date

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-3.86	0.24	--	0.24
Europe	-0.24	-0.02	0.51	0.49
Far East	-14.93	0.25	0.37	0.62
Frontier Markets	-0.02	0.00	--	0.00
Latin America	0.04	0.05	0.13	0.18
North America	12.68	0.19	0.20	0.38
Pacific	6.33	0.18	1.69	1.88
Total	--	0.88	2.91	3.79

Top Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Equinor ASA Sponsored ADR	3.45	0.42	Norway	5.93	0.49
Ashtead Group plc Unspans...	3.96	0.36	United States	12.31	0.42
Anhui Conch Cement Compan...	4.31	0.30	Australia	2.84	0.28
Lendlease Group Sponsored...	2.84	0.28	Ireland	2.20	0.24
Golden Ocean Group Ltd	2.93	0.27	Germany	4.56	0.15

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Equinor ASA Sponsored ADR	3.49	0.80	Norway	5.98	1.30
Anhui Conch Cement Compan...	4.03	0.79	China	10.08	0.93
Airbus SE Un-sponsored ADR	3.48	0.60	Australia	2.58	0.41
Marine Harvest ASA Sponso...	2.49	0.51	Ireland	2.11	0.36
Sony Corporation Sponsore...	3.41	0.47	Singapore	4.29	0.35

Bottom Contributors to Performance

Current Quarter

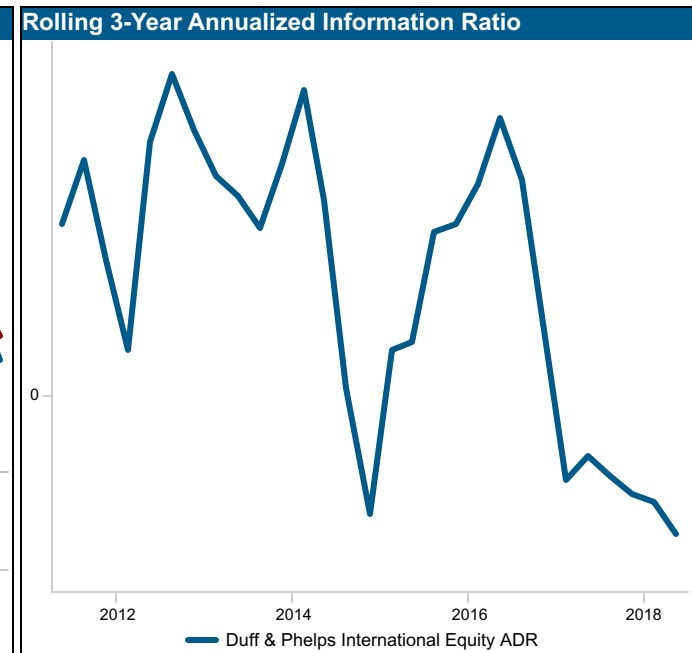
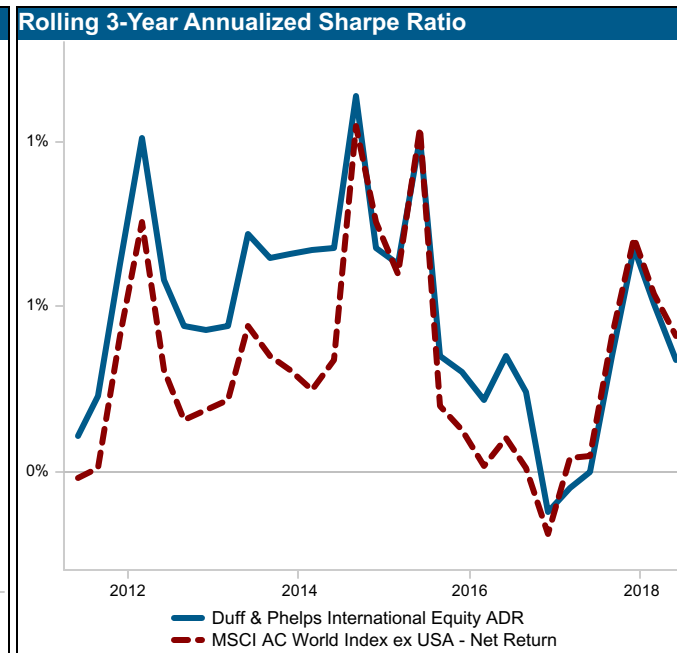
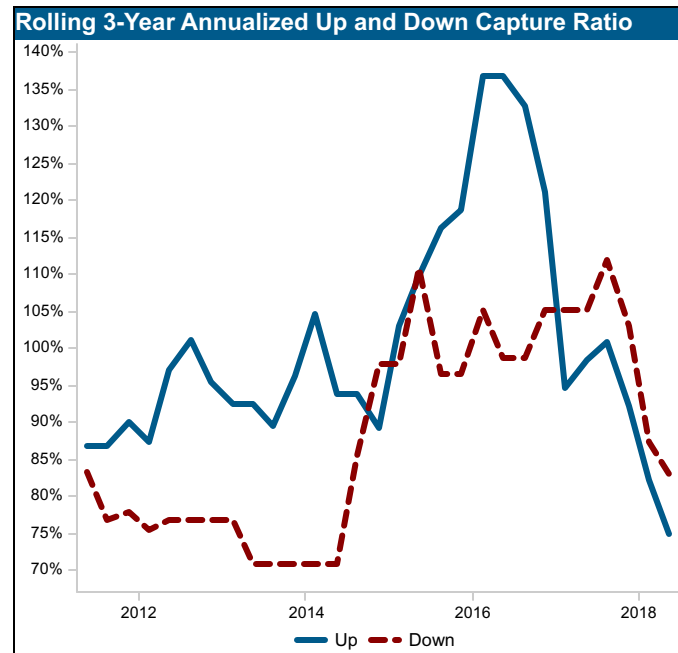
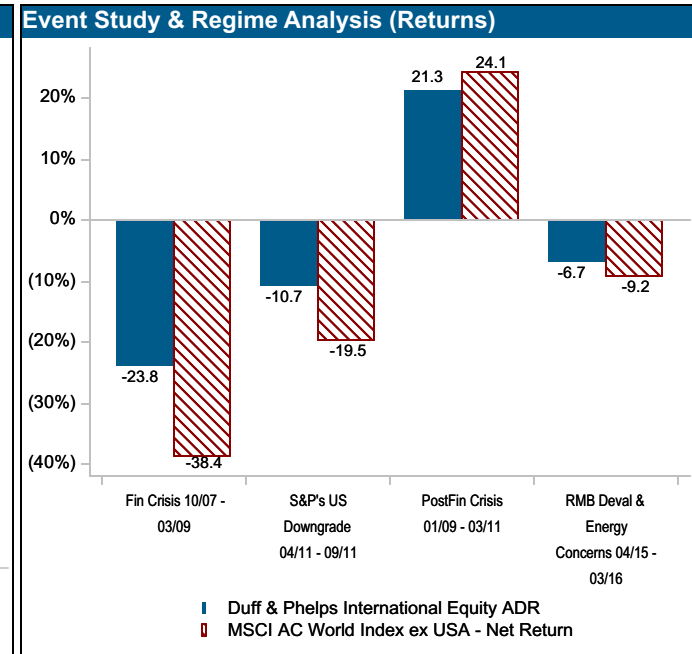
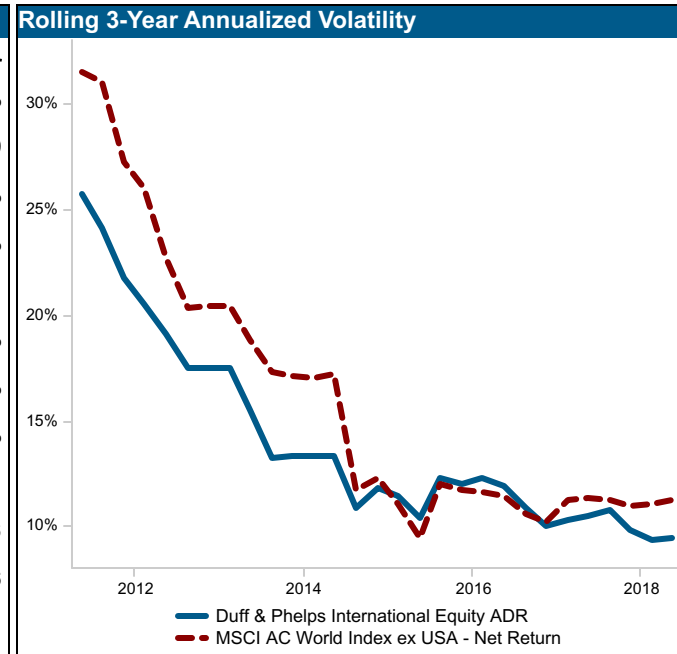
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
TORAY INDUSTRIES INC	2.27	-0.43	Japan	17.45	-0.92
ORIX Corporation Sponsore...	3.31	-0.42	France	8.50	-0.50
Credit Agricole SA Unspans...	2.69	-0.41	Switzerland	3.23	-0.43
China Construction Bank C...	3.38	-0.35	Spain	2.90	-0.23
UBS Group AG	2.92	-0.29	Netherlands	1.68	-0.15

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Credit Agricole SA Unspans...	2.87	-0.48	Switzerland	3.29	-0.56
BT Group PLC Sponsored AD...	2.15	-0.47	Netherlands	2.43	-0.39
UBS Group AG	3.13	-0.42	United States	11.75	-0.35
TORAY INDUSTRIES INC	2.60	-0.41	Japan	18.78	-0.32
ING Groep NV Sponsored AD...	2.43	-0.39	Germany	5.00	-0.27

Portfolio Performance and Risk Statistics (NAV)

Risk Statistics vs. Benchmark	3-Year	5-Year
Alpha	-0.3%	1.3%
Beta	0.8	0.9
R2	87.4%	82.5%
Tracking Error	4.2%	4.4%
Information Ratio	-0.3	0.1
Batting Average	50.0%	60.0%
Up Capture Ratio	75.0%	100.3%
Down Capture Ratio	83.1%	92.3%
Standard Deviation	9.5	10.1
Standard Deviation (Bmk)	11.3	10.6
Sharpe Ratio	0.3	0.6



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.

ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.

Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.

Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.

Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation - a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.

Duration - quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.

EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.

Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Market Cap (\$M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.

Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.

Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.

P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Peer Group Analysis - using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile.

Price-to-Book - price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Quality - Based upon per-share earnings and dividend records of the most recent 10 years, this ranking system attempts to capture the growth and stability of earnings and dividends for individual stocks. For a portfolio, the quality ranking is a weighted average. The quality rankings classification is as follows: A+ (highest), A (high), A- (above avg.), B+ (average), B (below avg.), B- (lower), C (lowest), D (in reorganization), and LIQ (liquidation).

R-Squared (R²) - represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R² is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R² percentages.

Return on Equity (ROE) - is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Rolling Annualized Performance - measures the consistency of a portfolio's performance. For example, with three-year annualized returns rolled annually, the return shown for a given period is actually an annualized return for a particular year and the previous two years. Since performance is assessed over longer periods, the returns rolled annually give a better indication of trends.

Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.

Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Total Effect - is the sum of all effects.

Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

Depending on the composition of your account and your investment objectives any indices shown in this report may not be an appropriate measure for comparison purposes and are presented for illustration only. The strategy shown in this report does not necessarily seek to track the index, is not restricted to securities in the index and may be more volatile than the index. The benchmark below may differ from the benchmark assigned by the manager, please refer to the GIMA manager report for more details.

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

The MSCI ACWI (All Country World Index) ex USA Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets excluding the United States. Performance is net of withholding taxes on dividends.

Important Disclosures

REPORT FOR USE ONLY IN INVESTMENT ADVISORY PROGRAMS

This report is only to be used in Morgan Stanley Smith Barney LLC ("Morgan Stanley") investment advisory programs and not in connection with brokerage accounts.

THE GLOBAL INVESTMENT MANAGER ANALYSIS (GIMA) SERVICES ONLY APPLY TO CERTAIN INVESTMENT ADVISORY PROGRAMS

Global Investment Manager Analysis (GIMA) evaluates certain investment products for the purposes of some - but not all - of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley). If you do not invest through one of these investment advisory programs, Morgan Stanley is not obligated to provide you notice of any GIMA status changes even though it may give notice to clients in other programs.

FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. 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 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 or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.

Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "GIMA At A Glance."

NO OBLIGATION TO UPDATE

Morgan Stanley has no obligation to update you when any information or opinion in this report changes.

STRATEGY MAY BE AVAILABLE AS A SEPARATELY MANAGED ACCOUNT OR MUTUAL FUND

Strategies are sometimes available in Morgan Stanley investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program.

CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

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 report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Net performance information

Net performance results reflect a deduction from the gross performance of three components: 0.625% maximum quarterly (2.5% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time.

The maximum total annual fee chargeable in a Morgan Stanley investment advisory program is generally no more than 3%. If you invest through a program in which your program fee is higher than 3%, then the net results would be lower.

Please see the Select UMA Manager Profile for this investment manager and strategy, for more details on the SMA Manager Fee for this strategy and performance and other information. The Profiles are available from your Financial Advisor and at www.morganstanley.com/ADV. Also, if you select this manager for your account, check the SMA Manager Fees specified in the written confirmation you receive when you open your investment advisory account, in case these have changed since you received the Select UMA Manager Profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Economic Sector Allocations and 10 Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. 10 Largest Holdings lists indicate the largest security holdings in the portfolio, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the fund's investment manager, Morgan Stanley or a third party service provider.

Important Disclosures

SOURCES OF DATA

Material in this report 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.

ASSET CLASS AND OTHER RISKS

Investing in **stocks**, **mutual funds** and **exchange-traded funds ("ETFs")** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios 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 those that diversify among a broad range of sectors.

Value and **growth investing** also carry risks. 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.

International Securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in **emerging markets**.

Small- and mid- capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Ultra-short bond funds generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Real estate investments:** property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be suitable for all investors. There is the possibility of early return of principal due to mortgage prepayments, which can reduce expected yield and result in reinvestment risk. Conversely, return of principal may be slower than initial prepayment speed assumptions, extending the average life of the security up to its listed maturity date (also referred to as extension risk). Additionally, the underlying collateral supporting MBS may default on principal and interest payments. Investments in subordinated MBS involve greater credit risk of default than the senior classes of the same issue.

MBS are also sensitive to interest rate changes which can negatively impact the market value of the security. During times of heightened volatility, MBS can experience greater levels of illiquidity and larger price movements.

Commodities: The commodities markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

Alternative/hedged strategies may use various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative/hedged strategies are not appropriate for all investors. A short sales strategy includes the risk of loss due to an increase in the market value of borrowed securities. Such a strategy may be combined with purchasing long positions in an attempt to improve portfolio performance. A short sales strategy may result in greater losses or lower positive returns than if the portfolio held only long positions, and the portfolio's loss on a short sale is potentially unlimited. The use of leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company. A decrease in the credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In a liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders.

MLPs involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs. The potential return of MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the portfolio's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment.

The current yield of **preferred securities** is calculated by multiplying the coupon by par value divided by the market price. The majority of \$25 and \$1000 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. The initial rate on a floating rate or index-linked preferred security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating/linked index. However, there can be no assurance that these increases will occur.

Convertible securities are convertible to equity at the option of the holder. The market value of the securities, and the underlying common stock into which they are convertible, will fluctuate. In particular, securities whose value depends on the performance of an underlying security entail potentially higher volatility and risk of loss compared to traditional bond investments. You should be aware that the market value of convertible bonds may not correspond directly to increases or decreases in the underlying stock.

NO TAX ADVICE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth 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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

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Strategy Description

The ClearBridge International Growth ADR strategy seeks to invest in non-US companies with above average growth prospects across the growth spectrum.

William Ryan

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302-888-4260

Trailing Returns

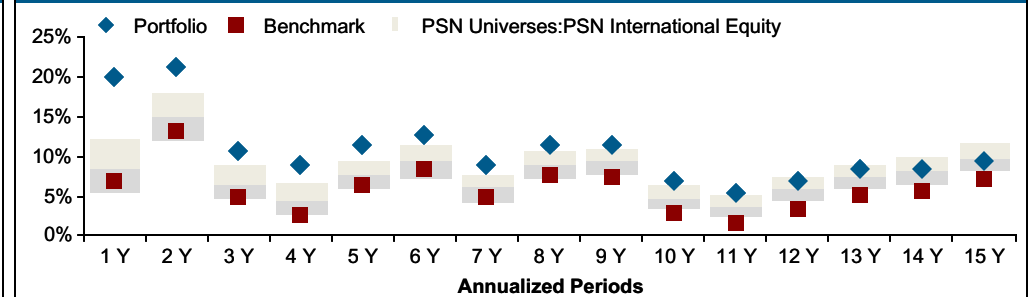
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
ClearBridge International Growth ADR (Gross)	2.73%	4.75%	20.05%	10.80%	11.54%	9.00%	6.95%	37.07%	-2.04%	6.27%	-2.17%	19.54%	23.64%
ClearBridge International Growth ADR (Net)	1.99%	3.30%	16.73%	7.69%	8.39%	5.93%	3.92%	33.29%	-4.89%	3.29%	-5.01%	16.24%	20.17%
MSCI EAFE - Net Return	-1.24%	-2.75%	6.84%	4.90%	6.44%	4.89%	2.84%	25.03%	1.00%	-0.81%	-4.90%	22.78%	17.32%
Excess Return (Gross)	3.97%	7.50%	13.21%	5.90%	5.10%	4.11%	4.10%	12.04%	-3.04%	7.08%	2.73%	-3.24%	6.33%

Past Performance is no guarantee of future results. The source for all charts/tables is FactSet. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of the date of most recent quarter end unless otherwise noted. All data are subject to change.

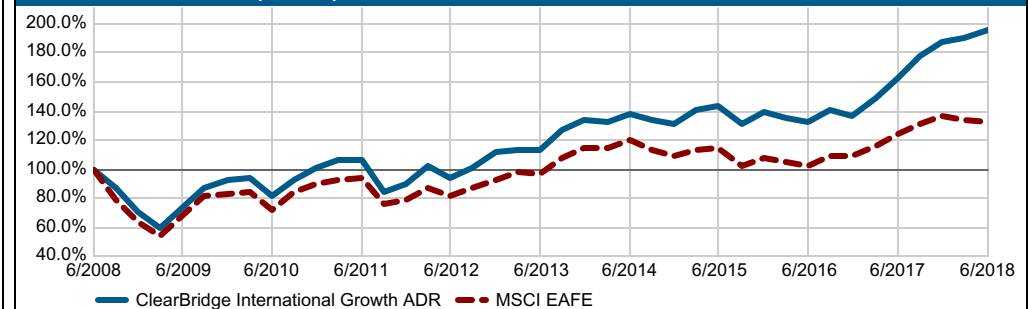
Performance Commentary

- The portfolio outperformed the MSCI EAFE for the quarter. Stock selection was positive and sector positioning was negative.
- The top contributing sectors were Information Technology, Consumer Staples, and Industrials. The top detracting sectors were Energy, Financials, and Utilities. From an industry perspective, Personal Products, Software, and Life Sciences Tools & Services added value, while Internet & Direct Marketing Retail, Machinery, and Pharmaceuticals detracted.
- From a country perspective, Japan, Switzerland, and Canada added value, while Australia, and Austria detracted.
- Within the portfolio, companies with a price/earnings greater than 20.0x contributed to returns while companies with a price/earnings between 8.0x and 12.0x detracted. And finally, companies with low beta added value during the quarter.

Peer Group Analysis (Returns)



Investment Growth - (Gross)



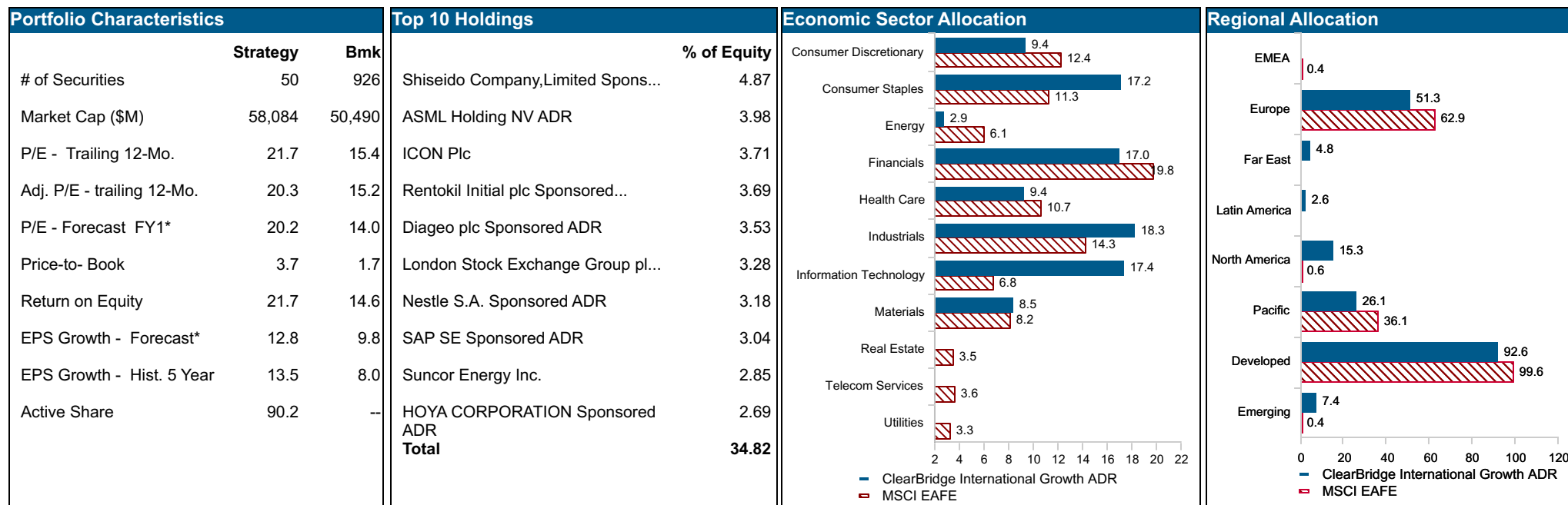
INVESTMENT PRODUCTS: NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

This report is only to be used in connection with investment advisory programs and not brokerage accounts.

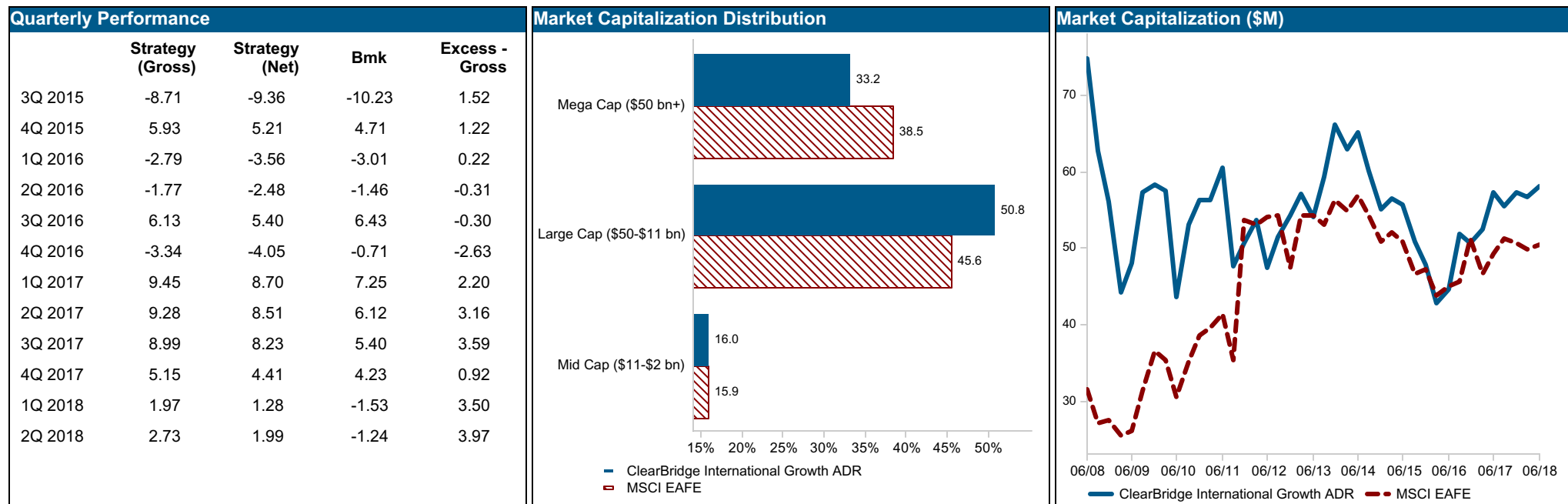
Please use this report in tandem with the associated Manager Profile which contains additional information about this strategy.

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics



*Forecasts based on analysts' consensus



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-2.92	0.04	0.28	0.32
Consumer Staples	5.84	0.09	1.14	1.22
Energy	-3.22	-0.38	0.17	-0.21
Financials	-2.78	0.07	-0.19	-0.12
Health Care	-1.28	-0.04	0.38	0.34
Industrials	3.97	-0.03	0.86	0.82
Information Technology	10.57	0.15	1.11	1.26
Materials	0.31	0.02	0.13	0.15
Real Estate	-3.53	-0.02	--	-0.02
Telecommunication Services	-3.63	0.14	--	0.14
Utilities	-3.32	-0.05	--	-0.05
Total	--	-0.01	3.88	3.86

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-2.92	-0.02	-0.04	-0.06
Consumer Staples	5.84	0.03	2.75	2.79
Energy	-3.22	-0.37	0.10	-0.28
Financials	-2.78	0.05	1.38	1.43
Health Care	-1.28	-0.06	0.33	0.27
Industrials	3.97	-0.03	1.21	1.19
Information Technology	10.57	0.48	1.05	1.53
Materials	0.31	0.02	0.24	0.26
Real Estate	-3.53	-0.03	--	-0.03
Telecommunication Services	-3.63	0.25	--	0.25
Utilities	-3.32	-0.15	--	-0.15
Total	--	0.16	7.01	7.17

Regional Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-0.43	-0.05	--	-0.05
Europe	-11.63	-0.02	1.86	1.84
Far East	4.84	0.22	--	0.22
Latin America	2.59	0.05	--	0.05
North America	14.66	-0.36	1.44	1.08
Pacific	-10.01	0.06	0.65	0.72
Total	--	-0.09	3.95	3.86

Regional Attribution - Year to Date

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-0.03	0.01	--	0.01
Europe	-32.19	0.09	3.19	3.28
Far East	2.14	0.15	--	0.15
Latin America	2.84	-0.06	--	-0.06
North America	9.99	-0.36	1.48	1.12
Pacific	17.25	0.33	2.62	2.94
Total	--	0.15	7.29	7.44

Top Contributors to Performance

Current Quarter

	Avg. Weight Contrib.	Wtd. Contrib.		Avg. Weight Contrib.	Wtd. Contrib.
Shiseido Company,Limited...	4.91	1.14	United Kingdom	13.58	0.86
Rentokil Initial plc Spon...	3.44	0.69	Switzerland	7.13	0.65
Temenos AG Sponsored ADR	2.49	0.63	Japan	18.76	0.58
Suncor Energy Inc.	2.63	0.43	Canada	5.20	0.54
ICON Plc	3.48	0.40	Ireland	3.48	0.40

Year to Date

	Avg. Weight Contrib.	Wtd. Contrib.		Avg. Weight Contrib.	Wtd. Contrib.
Shiseido Company,Limited...	4.98	2.62	Japan	18.59	2.75
ICON Plc	3.35	0.60	United Kingdom	13.18	0.89
ASML Holding NV ADR	3.99	0.53	Ireland	3.94	0.86
Temenos AG Sponsored ADR	2.63	0.42	Canada	4.95	0.37
London Stock Exchange Gro...	3.20	0.40	Belgium	3.58	0.27

Bottom Contributors to Performance

Current Quarter

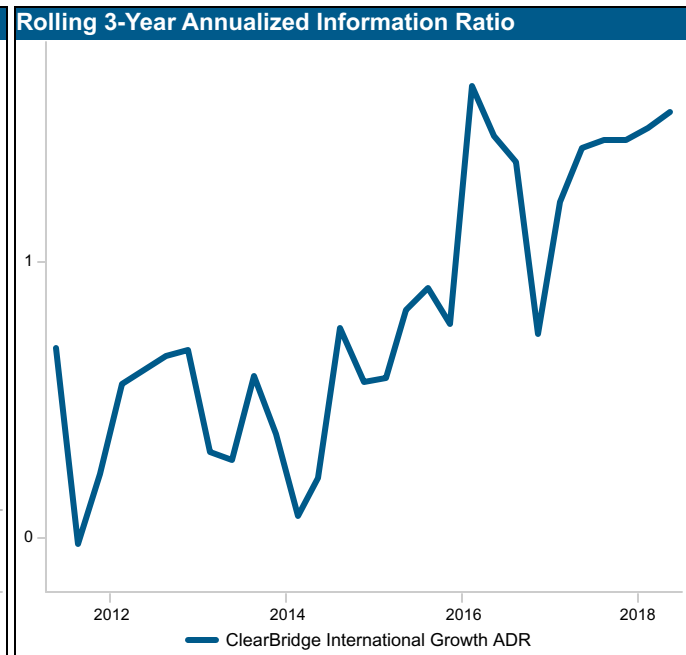
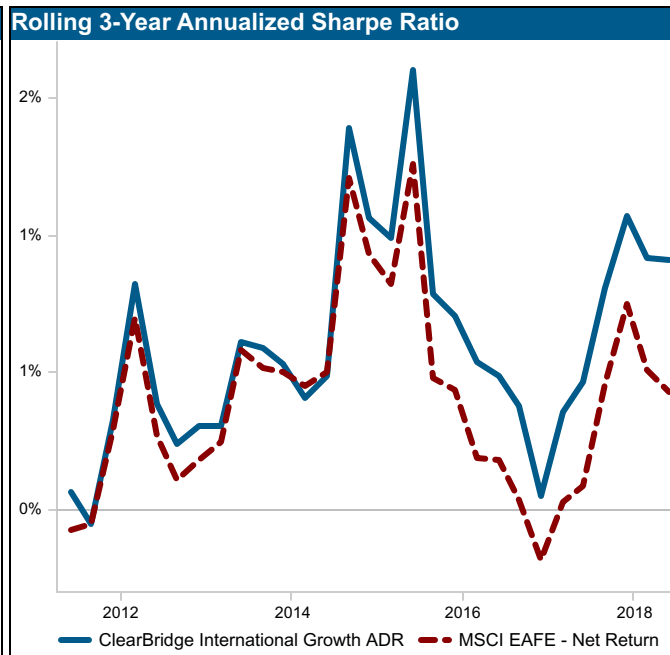
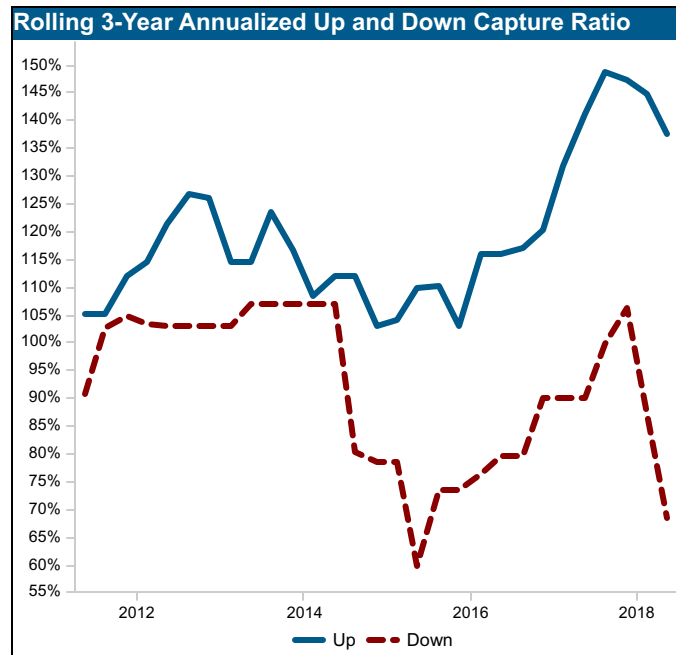
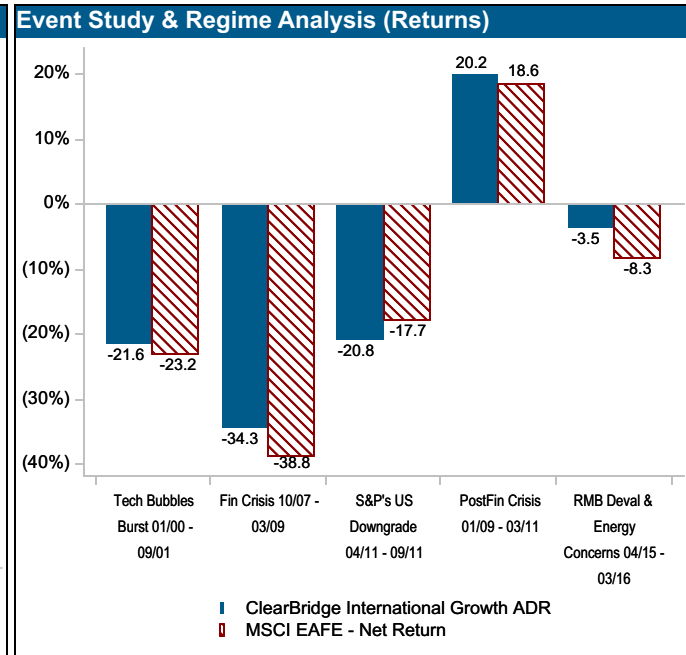
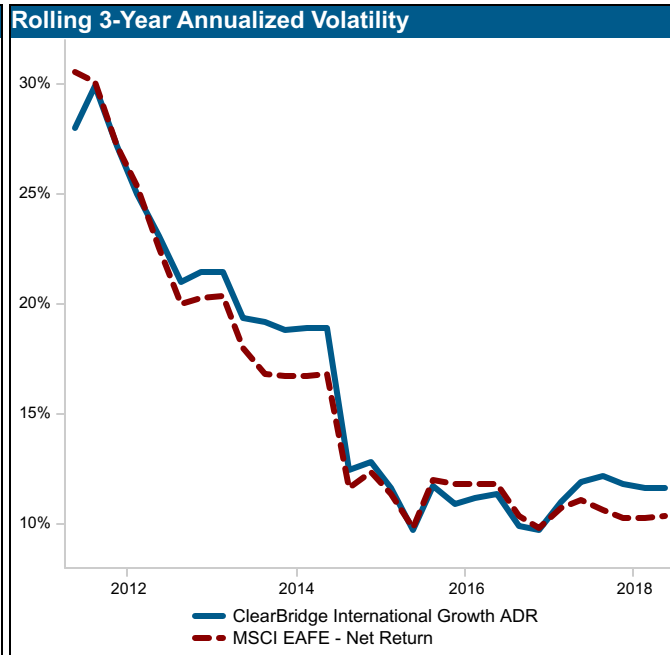
	Avg. Weight Contrib.	Wtd. Contrib.		Avg. Weight Contrib.	Wtd. Contrib.
Fanuc Corporation Unspans...	2.49	-0.59	Austria	2.80	-0.44
Erste Group Bank AG Spons...	2.80	-0.44	Hong Kong	3.14	-0.18
ASOS plc Un-sponsored ADR	1.53	-0.30	Netherlands	5.11	-0.15
ORIX Corporation Sponsore...	2.04	-0.25	Denmark	1.49	-0.09
ING Groep NV Sponsored AD...	1.08	-0.17	China	5.92	-0.07

Year to Date

	Avg. Weight Contrib.	Wtd. Contrib.		Avg. Weight Contrib.	Wtd. Contrib.
Fanuc Corporation Unspans...	2.66	-0.49	United States	5.74	-0.60
Adient plc	0.56	-0.44	Denmark	1.77	-0.26
ING Groep NV Sponsored AD...	1.56	-0.34	Chile	1.28	-0.18
Covestro AG Sponsored ADR	0.95	-0.28	Israel	1.59	-0.09
Nestle S.A. Sponsored ADR	3.24	-0.26	Germany	5.42	-0.08

Portfolio Performance and Risk Statistics (NAV)

Risk Statistics vs. Benchmark	3-Year	5-Year
Alpha	5.5%	5.0%
Beta	1.1	1.0
R2	88.7%	89.5%
Tracking Error	4.0%	3.5%
Information Ratio	1.6	1.5
Batting Average	75.0%	75.0%
Up Capture Ratio	137.5%	131.1%
Down Capture Ratio	68.4%	67.0%
Standard Deviation	11.7	10.8
Standard Deviation (Bmk)	10.4	10.4
Sharpe Ratio	0.9	1.1



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.

ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.

Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.

Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.

Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation - a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.

Duration - quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.

EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.

Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Market Cap (\$M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.

Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.

Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.

P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Peer Group Analysis - using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile.

Price-to-Book - price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Quality - Based upon per-share earnings and dividend records of the most recent 10 years, this ranking system attempts to capture the growth and stability of earnings and dividends for individual stocks. For a portfolio, the quality ranking is a weighted average. The quality rankings classification is as follows: A+ (highest), A (high), A- (above avg.), B+ (average), B (below avg.), B- (lower), C (lowest), D (in reorganization), and LIQ (liquidation).

R-Squared (R²) - represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R² is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R² percentages.

Return on Equity (ROE) - is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Rolling Annualized Performance - measures the consistency of a portfolio's performance. For example, with three-year annualized returns rolled annually, the return shown for a given period is actually an annualized return for a particular year and the previous two years. Since performance is assessed over longer periods, the returns rolled annually give a better indication of trends.

Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.

Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Total Effect - is the sum of all effects.

Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

Depending on the composition of your account and your investment objectives any indices shown in this report may not be an appropriate measure for comparison purposes and are presented for illustration only. The strategy shown in this report does not necessarily seek to track the index, is not restricted to securities in the index and may be more volatile than the index. The benchmark below may differ from the benchmark assigned by the manager, please refer to the GIMA manager report for more details.

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

The Morgan Stanley Capital International Europe, Australasia, and Far East (MSCI EAFE) Index is composed of all the publicly traded stocks in developed non-U.S. Markets.

Important Disclosures

REPORT FOR USE ONLY IN INVESTMENT ADVISORY PROGRAMS

This report is only to be used in Morgan Stanley Smith Barney LLC ("Morgan Stanley") investment advisory programs and not in connection with brokerage accounts.

THE GLOBAL INVESTMENT MANAGER ANALYSIS (GIMA) SERVICES ONLY APPLY TO CERTAIN INVESTMENT ADVISORY PROGRAMS

Global Investment Manager Analysis (GIMA) evaluates certain investment products for the purposes of some - but not all - of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley). If you do not invest through one of these investment advisory programs, Morgan Stanley is not obligated to provide you notice of any GIMA status changes even though it may give notice to clients in other programs.

FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. 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 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 or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.

Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "GIMA At A Glance."

NO OBLIGATION TO UPDATE

Morgan Stanley has no obligation to update you when any information or opinion in this report changes.

STRATEGY MAY BE AVAILABLE AS A SEPARATELY MANAGED ACCOUNT OR MUTUAL FUND

Strategies are sometimes available in Morgan Stanley investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program.

CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

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 report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Net performance information

Net performance results reflect a deduction from the gross performance of three components: 0.625% maximum quarterly (2.5% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time.

The maximum total annual fee chargeable in a Morgan Stanley investment advisory program is generally no more than 3%. If you invest through a program in which your program fee is higher than 3%, then the net results would be lower.

Please see the Select UMA Manager Profile for this investment manager and strategy, for more details on the SMA Manager Fee for this strategy and performance and other information. The Profiles are available from your Financial Advisor and at www.morganstanley.com/ADV. Also, if you select this manager for your account, check the SMA Manager Fees specified in the written confirmation you receive when you open your investment advisory account, in case these have changed since you received the Select UMA Manager Profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Economic Sector Allocations and 10 Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. 10 Largest Holdings lists indicate the largest security holdings in the portfolio, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the fund's investment manager, Morgan Stanley or a third party service provider.

Important Disclosures

SOURCES OF DATA

Material in this report 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.

ASSET CLASS AND OTHER RISKS

Investing in **stocks**, **mutual funds** and **exchange-traded funds ("ETFs")** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios 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 those that diversify among a broad range of sectors.

Value and **growth investing** also carry risks. 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.

International Securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in **emerging markets**.

Small- and mid- capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Ultra-short bond funds generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Real estate investments:** property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be suitable for all investors. There is the possibility of early return of principal due to mortgage prepayments, which can reduce expected yield and result in reinvestment risk. Conversely, return of principal may be slower than initial prepayment speed assumptions, extending the average life of the security up to its listed maturity date (also referred to as extension risk). Additionally, the underlying collateral supporting MBS may default on principal and interest payments. Investments in subordinated MBS involve greater credit risk of default than the senior classes of the same issue.

MBS are also sensitive to interest rate changes which can negatively impact the market value of the security. During times of heightened volatility, MBS can experience greater levels of illiquidity and larger price movements.

Commodities: The commodities markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

Alternative/hedged strategies may use various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative/hedged strategies are not appropriate for all investors. A short sales strategy includes the risk of loss due to an increase in the market value of borrowed securities. Such a strategy may be combined with purchasing long positions in an attempt to improve portfolio performance. A short sales strategy may result in greater losses or lower positive returns than if the portfolio held only long positions, and the portfolio's loss on a short sale is potentially unlimited. The use of leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company. A decrease in the credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In a liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders.

MLPs involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs. The potential return of MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the portfolio's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment.

The current yield of **preferred securities** is calculated by multiplying the coupon by par value divided by the market price. The majority of \$25 and \$1000 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. The initial rate on a floating rate or index-linked preferred security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating/linked index. However, there can be no assurance that these increases will occur.

Convertible securities are convertible to equity at the option of the holder. The market value of the securities, and the underlying common stock into which they are convertible, will fluctuate. In particular, securities whose value depends on the performance of an underlying security entail potentially higher volatility and risk of loss compared to traditional bond investments. You should be aware that the market value of convertible bonds may not correspond directly to increases or decreases in the underlying stock.

NO TAX ADVICE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth 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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

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Lazard Emerging Markets Select ADR

Benchmark: MSCI Emerging Markets
March 31, 2018 (Q1)

Status: Focus List
Analyst: Brian Glanz
Phone: 302-888-4146 Email: Brian.Glanz@ms.com

Trailing Returns

	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
Lazard Emerging Markets Select ADR (Gross)	2.91%	2.91%	22.69%	11.41%	6.41%	5.22%	4.72%	33.78%	22.63%	-19.34%	-2.43%	1.52%	22.14%
Lazard Emerging Markets Select ADR (Net)	2.20%	2.20%	19.23%	8.24%	3.35%	2.19%	1.68%	29.99%	19.09%	-21.66%	-5.35%	-1.40%	18.63%
MSCI EMF (Emerging Markets) - Net Return	1.42%	1.42%	24.93%	8.81%	4.99%	2.47%	3.02%	37.28%	11.19%	-14.92%	-2.19%	-2.60%	18.22%
Excess Return (Gross)	1.49%	1.49%	-2.24%	2.61%	1.43%	2.75%	1.70%	-3.51%	11.44%	-4.42%	-0.25%	4.12%	3.92%

Past Performance is no guarantee of future results. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of the date of most recent quarter end unless otherwise noted. All data are subject to change.

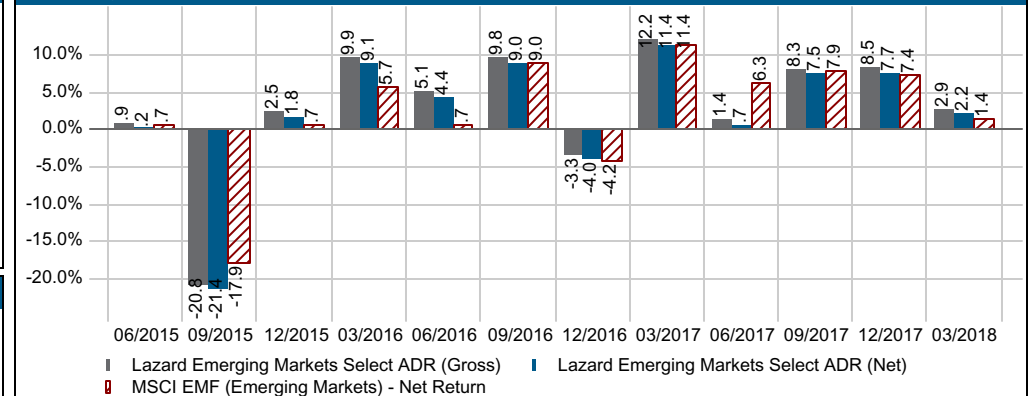
Strategy Description

The Lazard Emerging Markets Select strategy has a value-oriented process that is bottom-up driven. The portfolio seeks profitable companies selling at a discount relative to their world, local market and sector benchmarks. The portfolio tends to be smaller cap in nature than its peers.

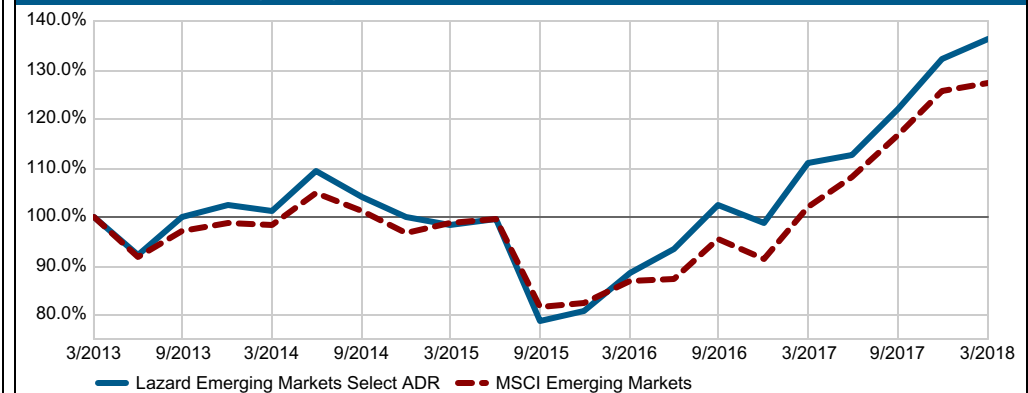
Performance Commentary

- The portfolio outperformed the MSCI Emerging Markets for the quarter. Stock selection was positive and sector positioning was positive.
- The top contributing sectors were Financials, Industrials, and Consumer Staples. The top detracting sectors were Information Technology, Health Care, and Telecommunication Services. From an industry perspective, Road & Rail, Media, and Banks added value, while Internet Software & Services, Diversified Telecommunication Services, and Industrial Conglomerates detracted.
- From a country perspective, South Africa, Russia, and India added value, while China, and Indonesia detracted.
- Within the portfolio, companies with a price/earnings between 8.0x and 12.0x contributed to returns while companies with a price/earnings between 12.0x and 16.0x detracted. And finally, companies with high beta tended to do better than companies with moderate beta during the quarter.

Quarterly Returns



Investment Growth - (Gross)



INVESTMENT PRODUCTS: NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

This report is only to be used in connection with investment advisory programs and not brokerage accounts.

Please use this report in tandem with the associated Manager Profile which contains additional information about this strategy.

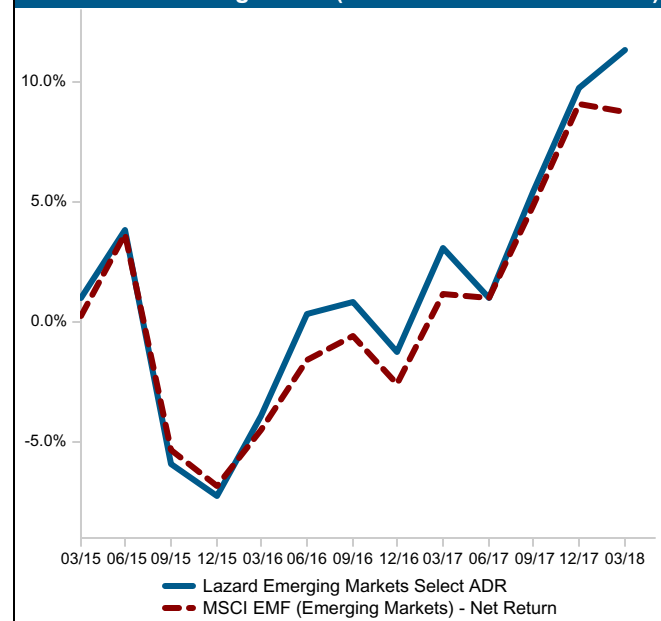
Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

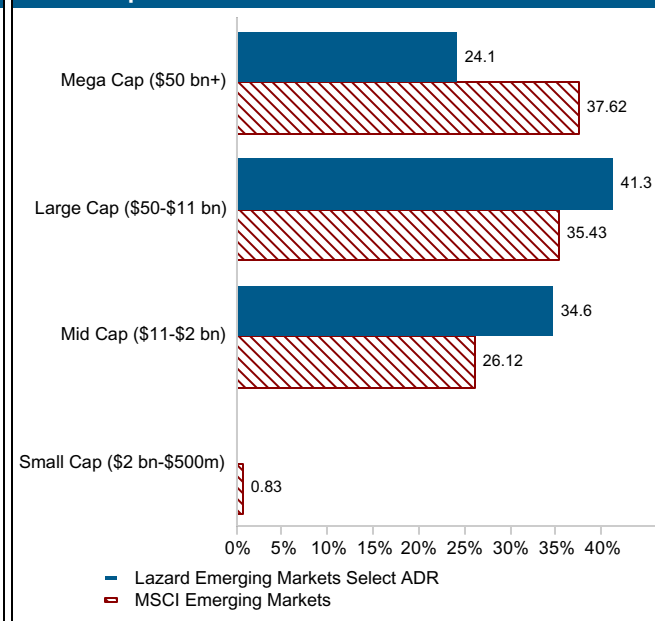
Portfolio Characteristics			Economic Sector Allocation				Regional Sector Allocation				Top 10 Holdings	
	Strategy	Bmk		Strategy	Bmk	Rel.		Strategy	Bmk	Rel.		% of Equity
# of Securities	49	846	Consumer Discretionary	4.80	9.46	-4.66	EMEA	31.73	14.60	17.12	China Construction Bank Corpor...	4.88
Market Cap (\$M)	47,212	56,786	Consumer Staples	8.15	6.48	1.67	Europe	--	0.02	-0.02	Taiwan Semiconductor Manufactu...	4.18
P/E - Trailing 12-Mo.	11.4	14.4	Energy	9.65	7.19	2.46	Far East	30.50	70.57	-40.07	Sberbank Russia OJSC Sponsored...	3.89
Adj. P/E - trailing 12-Mo.	11.4	13.7	Financials	34.33	24.01	10.31	Frontier Markets	5.73	0.10	5.62	KB Financial Group Inc. Sponso...	3.48
P/E - Forecast FY1*	9.2	12.5	Health Care	0.83	2.82	-1.99	Latin America	16.73	12.06	4.67	Banco Macro SA Sponsored ADR C...	3.24
Price-to- Book	1.6	1.8	Industrials	7.78	5.17	2.61	North America	--	1.89	-1.89	China Mobile Limited Sponsored...	3.19
Dividend Yield	2.65	2.36	Information Technology	15.72	27.77	-12.04	Pacific	15.32	0.76	14.56	Banco do Brasil S.A. Sponsored...	3.13
Return on Equity	19.1	15.8	Materials	1.33	7.32	-5.99	Total	100.00	100.00		NetEase, Inc. Sponsored ADR	3.12
EPS Growth - Forecast*	11.7	17.7	Real Estate	--	2.84	-2.84	Developed	15.32	2.67	12.65	Oil company LUKOIL PJSC Sponso...	2.81
EPS Growth - Hist. 5 Year	-1.7	13.3	Telecommunication Services	14.06	4.58	9.48	Emerging	84.68	97.33	-12.65	PT Bank Mandiri (Persero) Tbk...	2.79
Active Share	83.4	--	Utilities	3.35	2.37	0.98					Total	34.71

*Forecasts based on analysts' consensus

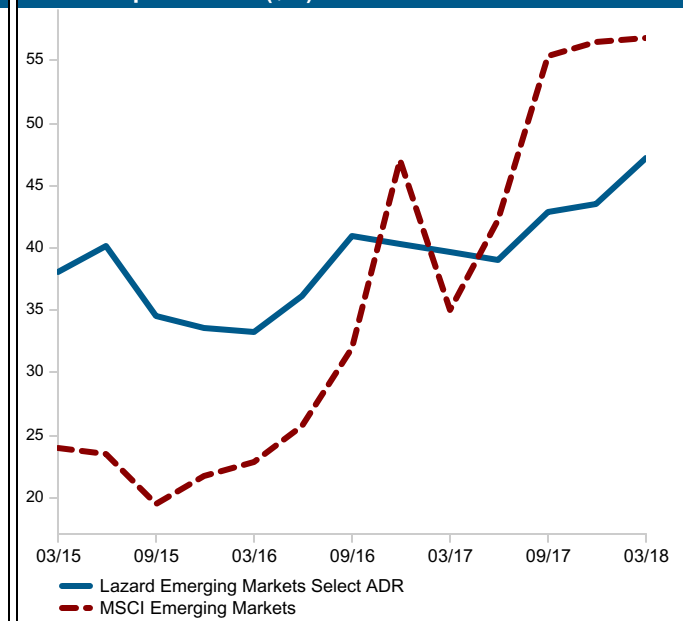
Performance Rolling 3-Year (Annualized - Gross of Fees)



Market Capitalization Distribution



Market Capitalization (\$M)



Portfolio Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter					Economic Sector Attribution - Year to Date				
	Relative Weights	Allocation Effect	Stock Selection	Total Effect		Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-4.66	0.37	-0.12	0.25	Consumer Discretionary	-4.66	0.37	-0.12	0.25
Consumer Staples	1.67	-0.05	0.38	0.33	Consumer Staples	1.67	-0.05	0.38	0.33
Energy	2.46	0.12	-0.19	-0.07	Energy	2.46	0.12	-0.19	-0.07
Financials	10.31	0.26	0.56	0.82	Financials	10.31	0.26	0.56	0.82
Health Care	-1.99	-0.10	-0.01	-0.11	Health Care	-1.99	-0.10	-0.01	-0.11
Industrials	2.61	-0.09	0.77	0.68	Industrials	2.61	-0.09	0.77	0.68
Information Technology	-12.04	-0.06	-1.04	-1.11	Information Technology	-12.04	-0.06	-1.04	-1.11
Materials	-5.99	0.04	0.03	0.07	Materials	-5.99	0.04	0.03	0.07
Real Estate	-2.84	0.09	--	0.09	Real Estate	-2.84	0.09	--	0.09
Telecommunication Services	9.48	-0.46	0.38	-0.08	Telecommunication Services	9.48	-0.46	0.38	-0.08
Utilities	0.98	0.03	0.24	0.27	Utilities	0.98	0.03	0.24	0.27
Total	--	0.14	1.00	1.13	Total	--	0.14	1.00	1.13

Regional Attribution - Current Quarter					Regional Attribution - Year to Date				
	Relative Weights	Allocation Effect	Stock Selection	Total Effect		Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	17.12	-0.37	2.42	2.05	EMEA	17.12	-0.37	2.42	2.05
Europe	-0.02	0.03	-0.02	0.01	Europe	-0.02	0.03	-0.02	0.01
Far East	-40.07	0.27	-1.96	-1.69	Far East	-40.07	0.27	-1.96	-1.69
Frontier Markets	5.62	0.48	-0.93	-0.46	Frontier Markets	5.62	0.48	-0.93	-0.46
Latin America	4.67	0.30	0.57	0.86	Latin America	4.67	0.30	0.57	0.86
North America	-1.89	-0.05	--	-0.05	North America	-1.89	-0.05	--	-0.05
Pacific	14.56	1.22	-0.81	0.41	Pacific	14.56	1.22	-0.81	0.41
Total	--	1.87	-0.73	1.13	Total	--	1.87	-0.73	1.13

Top Contributors to Performance

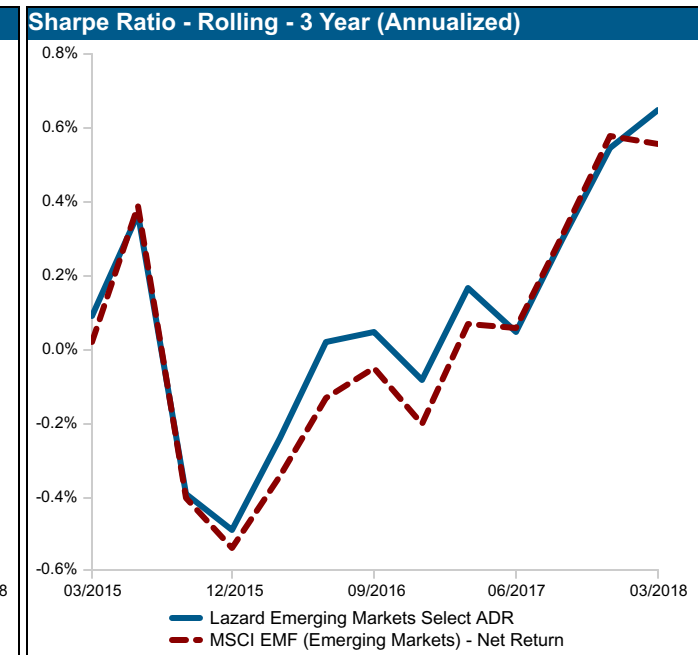
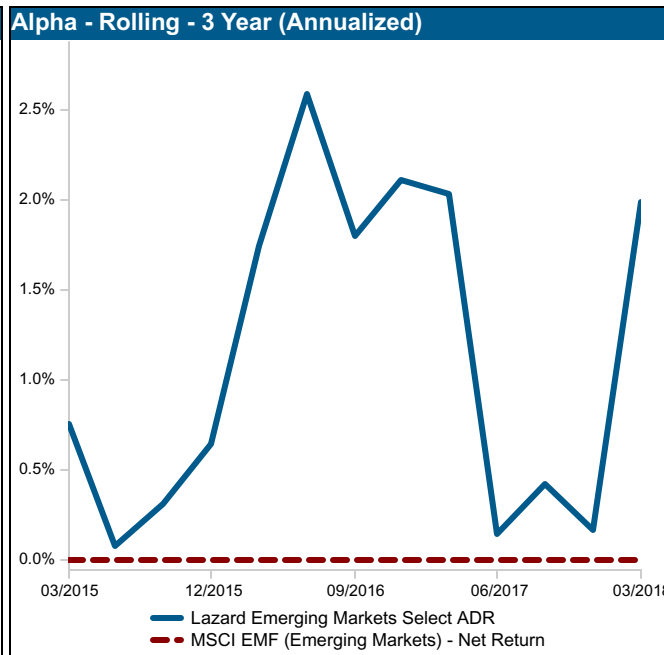
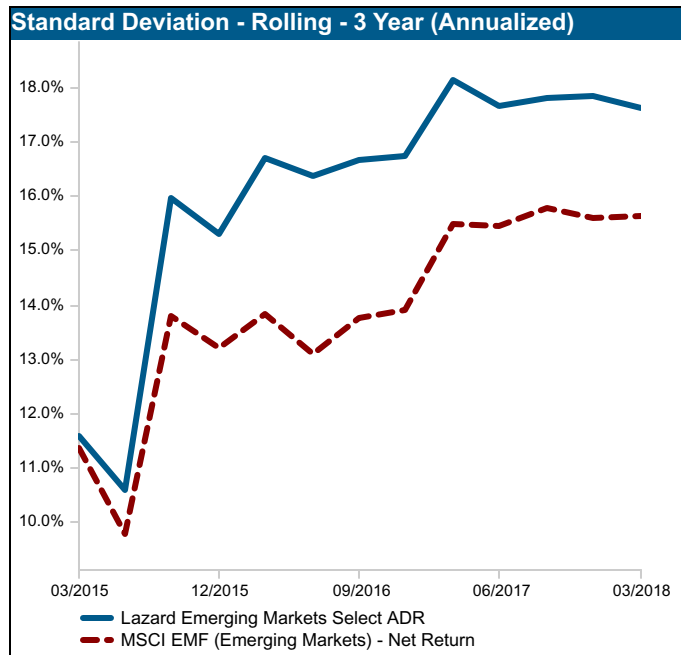
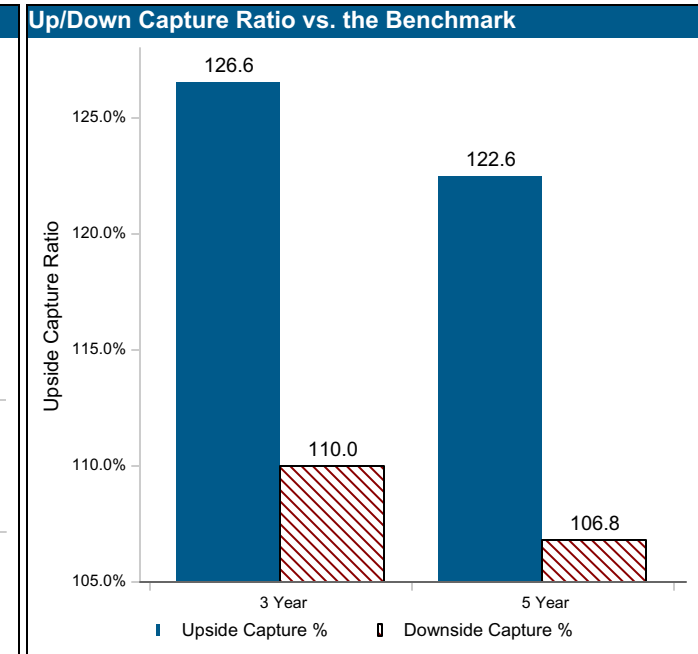
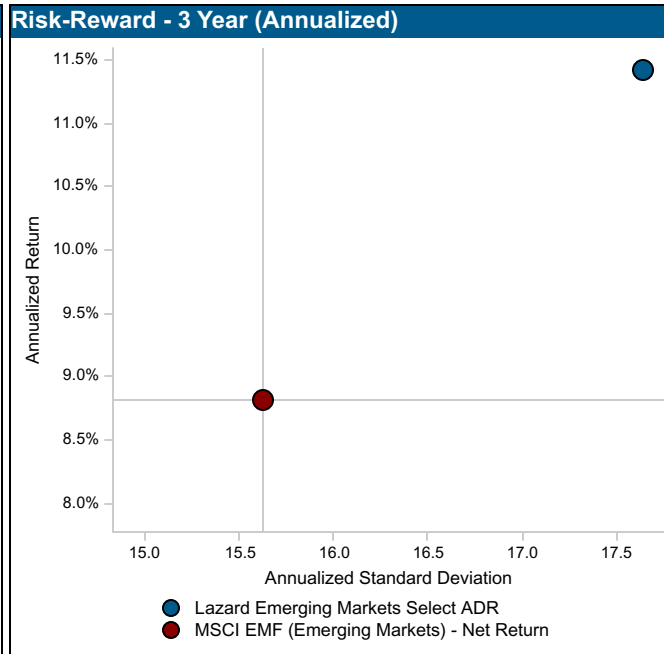
Current Quarter					Year to Date						
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.			
Banco do Brasil S.A. Spon...	2.94	0.67	Brazil	13.00	1.40	Banco do Brasil S.A. Spon...	2.94	0.67	Brazil	13.00	1.40
Localiza Rent A Car S.A....	2.38	0.63	Russia	9.68	1.19	Localiza Rent A Car S.A....	2.38	0.63	Russia	9.68	1.19
Oil company LUKOIL PJSC S...	2.60	0.47	South Africa	16.12	1.04	Oil company LUKOIL PJSC S...	2.60	0.47	South Africa	16.12	1.04
Taiwan Semiconductor Manu...	4.21	0.46	Taiwan	4.21	0.46	Taiwan Semiconductor Manu...	4.21	0.46	Taiwan	4.21	0.46
China Construction Bank C...	4.85	0.42	Mexico	3.81	0.33	China Construction Bank C...	4.85	0.42	Mexico	3.81	0.33

Bottom Contributors to Performance

Current Quarter					Year to Date						
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.			
NetEase, Inc. Sponsored A...	3.84	-0.79	Indonesia	8.06	-0.68	NetEase, Inc. Sponsored A...	3.84	-0.79	Indonesia	8.06	-0.68
PT Telekomunikasi Indones...	1.78	-0.33	China	24.48	-0.59	PT Telekomunikasi Indones...	1.78	-0.33	China	24.48	-0.59
China Mobile Limited Spon...	3.04	-0.30	Turkey	4.04	-0.34	China Mobile Limited Spon...	3.04	-0.30	Turkey	4.04	-0.34
Hengan International Grou...	1.47	-0.28	Argentina	5.75	-0.33	Hengan International Grou...	1.47	-0.28	Argentina	5.75	-0.33
PT Astra International Tb...	2.03	-0.28	Korea	5.55	-0.16	PT Astra International Tb...	2.03	-0.28	Korea	5.55	-0.16

Portfolio Performance and Risk Statistics (Gross of Fees)

	3-Year	5-Year
Alpha	2.0%	1.1%
Beta	1.1	1.1
R2	92.0%	91.8%
Tracking Error	5.1%	4.6%
Information Ratio	0.5	0.3
Batting Average	83.3%	75.0%
Up Capture Ratio	126.6%	122.6%
Down Capture Ratio	110.0%	106.8%
Standard Deviation	17.6	15.5
Standard Deviation (Bmk)	15.6	13.6
Sharpe Ratio	0.6	0.4



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.

ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.

Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.

Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.

Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation - a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

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.

Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.

Duration - quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.

EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.

Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Market Cap (\$M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.

Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.

Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.

P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Price-to-Book - price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Quality - Based upon per-share earnings and dividend records of the most recent 10 years, this ranking system attempts to capture the growth and stability of earnings and dividends for individual stocks. For a portfolio, the quality ranking is a weighted average. The quality rankings classification is as follows: A+ (highest), A (high), A- (above avg.), B+ (average),

B (below avg.), B- (lower), C (lowest), D (in reorganization), and LIQ (liquidation).

R-Squared (R²) - represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R² is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R² percentages.

Return on Equity (ROE) - is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Rolling Annualized Performance - measures the consistency of a portfolio's performance. For example, with three-year annualized returns rolled annually, the return shown for a given period is actually an annualized return for a particular year and the previous two years. Since performance is assessed over longer periods, the returns rolled annually give a better indication of trends.

Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.

Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Total Effect - is the sum of all effects.

Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

Depending on the composition of your account and your investment objectives any indices shown in this report may not be an appropriate measure for comparison purposes and are presented for illustration only. The strategy shown in this report does not necessarily seek to track the index, is not restricted to securities in the index and may be more volatile than the index. The benchmark below may differ from the benchmark assigned by the manager, please refer to the GIMA manager report for more details.

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

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Important Disclosures

REPORT FOR USE ONLY IN INVESTMENT ADVISORY PROGRAMS

This report is only to be used in Morgan Stanley Smith Barney LLC ("Morgan Stanley") investment advisory programs and not in connection with brokerage accounts.

THE GLOBAL INVESTMENT MANAGER ANALYSIS (GIMA) SERVICES ONLY APPLY TO CERTAIN INVESTMENT ADVISORY PROGRAMS

Global Investment Manager Analysis (GIMA) evaluates certain investment products for the purposes of some - but not all - of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley). If you do not invest through one of these investment advisory programs, Morgan Stanley is not obligated to provide you notice of any GIMA status changes even though it may give notice to clients in other programs.

FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. 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 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 or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "GIMA At A Glance."

NO OBLIGATION TO UPDATE

Morgan Stanley has no obligation to update you when any information or opinion in this report changes.

STRATEGY MAY BE AVAILABLE AS A SEPARATELY MANAGED ACCOUNT OR MUTUAL FUND

Strategies are sometimes available in Morgan Stanley investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program.

CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

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 report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Net performance information

Net performance results reflect a deduction from the gross performance of three components: 0.625% maximum quarterly (2.5% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.025% to 0.1875% per Quarter (0.10% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time.

The maximum total annual fee chargeable in a Morgan Stanley investment advisory program is generally no more than 3%. If you invest through a program in which your program fee is higher than 3%, then the net results would be lower.

Please see the Select UMA Manager Profile for this investment manager and strategy, for more details on the SMA Manager Fee for this strategy and performance and other information. The Profiles are available from your Financial Advisor and at www.morganstanley.com/ADV. Also, if you select this manager for your account, check the SMA Manager Fees specified in the written confirmation you receive when you open your investment advisory account, in case these have changed since you received the Select UMA Manager Profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Economic Sector Allocations and 10 Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. 10 Largest Holdings lists indicate the largest security holdings in the portfolio, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the fund's investment manager, Morgan Stanley or a third party service provider.

Important Disclosures

SOURCES OF DATA

Material in this report 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.

ASSET CLASS AND OTHER RISKS

Investing in **stocks**, **mutual funds** and **exchange-traded funds ("ETFs")** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios 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 those that diversify among a broad range of sectors.

Value and **growth investing** also carry risks. 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.

International Securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in **emerging markets**.

Small- and mid- capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Ultra-short bond funds generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Real estate investments:** property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be suitable for all investors. There is the possibility of early return of principal due to mortgage prepayments, which can reduce expected yield and result in reinvestment risk. Conversely, return of principal may be slower than initial prepayment speed assumptions, extending the average life of the security up to its listed maturity date (also referred to as extension risk). Additionally, the underlying collateral supporting MBS may default on principal and interest payments. Investments in subordinated MBS involve greater credit risk of default than the senior classes of the same issue.

MBS are also sensitive to interest rate changes which can negatively impact the market value of the security. During times of heightened volatility, MBS can experience greater levels of illiquidity and larger price movements.

Commodities: The commodities markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

Alternative/hedged strategies may use various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative/hedged strategies are not appropriate for all investors. A short sales strategy includes the risk of loss due to an increase in the market value of borrowed securities. Such a strategy may be combined with purchasing long positions in an attempt to improve portfolio performance. A short sales strategy may result in greater losses or lower positive returns than if the portfolio held only long positions, and the portfolio's loss on a short sale is potentially unlimited. The use of leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company. A decrease in the credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In a liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders.

MLPs involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs. The potential return of MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the portfolio's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment.

The current yield of **preferred securities** is calculated by multiplying the coupon by par value divided by the market price. The majority of \$25 and \$1000 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. The initial rate on a floating rate or index-linked preferred security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating/linked index. However, there can be no assurance that these increases will occur.

Convertible securities are convertible to equity at the option of the holder. The market value of the securities, and the underlying common stock into which they are convertible, will fluctuate. In particular, securities whose value depends on the performance of an underlying security entail potentially higher volatility and risk of loss compared to traditional bond investments. You should be aware that the market value of convertible bonds may not correspond directly to increases or decreases in the underlying stock.

NO TAX ADVICE

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth 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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

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Nuveen Asset Management

333 West Wacker Drive
Chicago, Illinois 60606

Style: US Tax Free Core
Sub-Style: Intermediate Term Munis FI
Firm AUM: \$175.7 billion
Firm Strategy AUM: \$13.1 billion

Year Founded: 1989
GIMA Status: Approved
Firm Ownership: Nuveen Investments, Inc.
Professional-Staff: 191

PRODUCT OVERVIEW

Nuveen Asset Management's (NAM) intermediate term municipal fixed income portfolio has a primary objective of total return in a manner consistent with preservation of capital. NAM seeks to design client portfolios to provide high current tax-free income that enhances the risk-adjusted return of an investor's entire portfolio. NAM starts with a top-down approach to determine the overall economic outlook and prospects for changes in the municipal yield curve over time. This results in a duration target that is approximately +/- 20% of the benchmark (Barclays Municipal 7 Year). The manager then utilizes proprietary yield curve analysis tools to determine portfolio structure. A bottom-up approach is used for security selection and sector decisions, which are made by observing, analyzing and predicting market activity to select those securities with the best risk/reward relationships (spreads, trends, and expected changes are considered) in NAM's view. Accounts are invested to meet liquidity needs and diversification requirements. Average invest-up time is approximately four to six weeks, depending on supply. NAM will seek to avoid bonds subject to the Alternative Minimum Tax, if appropriate. In select states, NAM does offer state-specific or state-preference portfolios. Where state specific-only portfolios are not available, federally tax-exempt securities will be purchased.

TARGET PORTFOLIO CHARACTERISTICS

Number of bond holdings:	8 to 15
Average credit quality:	A to AAA
Average maturity:	5.0 to 10.0 years
Average duration:	5.0 to 6.5 years
Average coupon:	4.0 to 6.0%
Average turnover rate:	15 to 40%

PORTFOLIO STATISTICS

	-----03/18-----	09/17	
	Nuveen	Index***	Nuveen
Number of bond holdings	15	—	12
SEC Yield	4.2	—	4.0
Avg credit quality	AA	—	AA
Avg maturity	8.7 yrs.	—	8.67 yrs.
Avg duration	5.33 yrs.	—	5.37 yrs.
Avg coupon	4.7%	—	4.7%

FIXED INCOME SECTOR DISTRIBUTION (%)⁺

	03/18	12/17	09/17	06/17
Municipals	98.61	98.64	98.49	98.59
Cash/Cash Equivalents	1.39	1.36	1.51	1.41

⁺Total may not equal 100% due to rounding.

^{***}Index : BC 7 Year Municipal Bond Index

MANAGER'S INVESTMENT PROCESS

- Emphasize call protection
- Tax aware investing
- Add value by timely purchase and sale of intermediate maturity range bonds

RISK CONSIDERATIONS

Investing in securities entails risks, including: Municipals may realize gains, and shareholders will incur a tax liability from time to time. Income from the portfolios that invest in them are subject to state and local taxes and may at times be subject to the alternative minimum tax. It's important to note that a portfolio concentrating in a single state is subject to greater risk of adverse economic conditions and regulatory changes than a portfolio with broader geographical diversification. Fixed Income securities may be sensitive to changes in prevailing interest rates. When rates rise the value generally declines. 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.

PORTFOLIO'S MATURITY STRUCTURE (%) *

	03/18	12/17	09/17	06/17
0 to 2 Years	3.32	3.19	3.31	3.01
2 to 4 Years	7.65	7.44	7.44	6.91
4 to 6 Years	12.86	12.77	12.71	12.16
6 to 8 Years	15.53	15.76	16.31	15.64
8 to 12 Years	35.36	36.23	35.95	37.23
12 to 17 Years	23.84	23.16	22.68	23.54
Over 17 Years	0.05	0.09	0.09	0.10
Cash/Cash Equivalents	1.39	1.36	1.51	1.41

PORTFOLIO'S CREDIT QUALITY STRUCTURE (%) *

Investment Grade

	03/18	12/17	09/17	06/17
AAA	26.08	25.97	26.29	26.32
AA	61.04	61.37	60.89	60.88
A	10.76	10.78	10.76	10.81
BBB	0.06	0.05	0.06	0.07

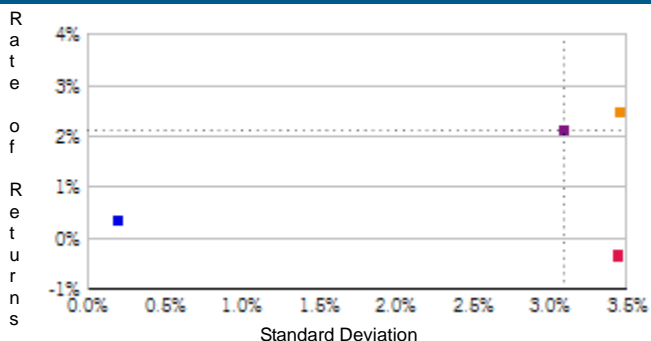
Below Investment Grade

BB	0.00	0.00	0.00	0.00
B	0.00	0.00	0.00	0.00
Below B	0.00	0.00	0.00	0.00
Not Rated	0.67	0.47	0.49	0.51
Cash/Cash Equivalents	1.39	1.36	1.51	1.41

*Total may not equal 100% due to rounding.

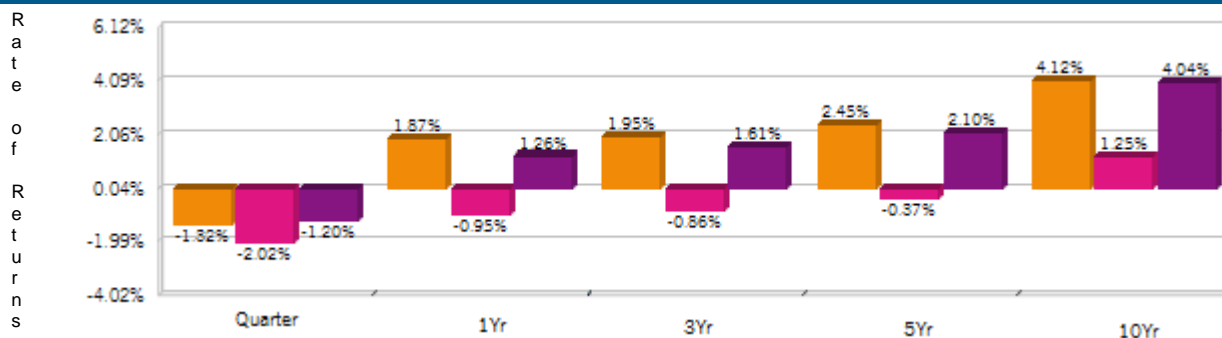
***Index : BC 7 Year Municipal Bond Index

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



	STD	ROR
Nuveen (Gross)	3.47	2.45
Nuveen (Net)	3.45	-0.37
BC Muni 7 Yr	3.10	2.10
90-Day T-Bills	0.21	0.31

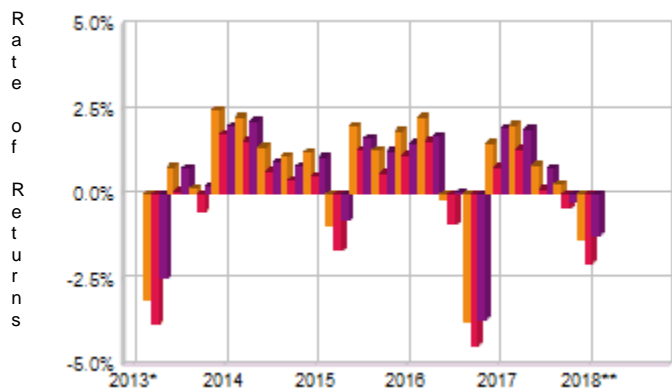
AVERAGE ANNUAL TOTAL RETURN (%) - PERIODS ENDING 03/31/18



INVESTMENT RESULTS

	Annual Rates of Return (%)										10 Year - Ending 03/31/18	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Annual	Std. Dev.
Nuveen (Gross)	1.64	8.20	3.01	11.15	5.22	-2.08	7.49	3.65	0.10	4.80	4.12	3.94
Nuveen (Net)	-1.16	5.24	0.17	8.08	2.34	-4.78	4.54	0.79	-2.66	1.91	1.25	3.92
BC Muni 7 Yr	4.59	7.61	4.63	10.14	4.20	-0.97	6.10	3.26	-0.50	4.49	4.04	3.49

RISK VOLATILITY (%)



*04/01/13-12/31/13 **01/01/18-03/31/18

	Number Of	Up Qtrs.	Down
Nuveen (Gross)	15	5	5
Nuveen (Net)	13	7	7
BC Muni 7 Yr	15	5	5

PORTFOLIO'S QUARTERLY RETURNS (%)

	Quarter1		Quarter2		Quarter3		Quarter4	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2008	-0.10	-0.79	0.00	-0.70	-1.77	-2.46	3.58	2.86
2009	2.77	2.08	0.81	0.12	5.52	4.80	-1.03	-1.74
2010	0.81	0.11	2.38	1.67	3.42	2.71	-3.49	-4.17
2011	0.67	-0.04	3.90	3.19	3.40	2.69	2.77	2.05
2012	0.64	-0.05	1.85	1.15	2.08	1.37	0.56	-0.15
2013	0.05	-0.65	-3.11	-3.78	0.81	0.10	0.20	-0.50
2014	2.50	1.79	2.28	1.58	1.39	0.69	1.12	0.41
2015	1.24	0.54	-0.95	-1.65	2.01	1.30	1.32	0.62
2016	1.86	1.16	2.28	1.57	-0.17	-0.87	-3.75	-4.43
2017	1.51	0.80	2.04	1.33	0.86	0.16	0.32	-0.39
2018	-1.32	-2.02						

Related Select UMA

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

	R ²
Nuveen vs. BC Muni 7 Yr	0.96

+Statistics are calculated using gross of fee performance only.

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

	3 Year	5 Year
Standard Deviation	3.59%	3.47%
Standard Deviation of Primary Benchmark	3.36%	3.10%
Sharpe Ratio	0.41	0.62
Sharpe Ratio of Primary Benchmark	0.33	0.58
Alpha	0.28%	0.18%
Beta	1.05	1.10
Downside Risk	0.33%	0.40%
R-Squared	0.97	0.97
Tracking Error	0.64%	0.65%
Information Ratio	0.53	0.54

1. Statistics are calculated using gross of fee performance only.
2. BC Muni 7 Yr was used as the primary benchmark and the 90-Day T-Bills Index as the risk-free benchmark.

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.

IMPORTANT NOTES AND DISCLOSURES

COMPOSITE DISCLOSURES

Past performance is no guarantee of future results. Actual individual account results may differ from the performance shown in this profile. There is no guarantee that this investment strategy will work under all market conditions. Do not use this profile as the sole basis for your investment decisions.

Performance results in this profile are calculated assuming reinvestment of dividends and income. Returns for more than one year are annualized and based on quarterly data. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Sources of Performance Results and Other Data: The performance data and certain other information for this strategy (including the data on page 1 of this profile) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel - and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of the these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax-harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Related Performance:

Nuveen Asset Management's Intermediate Term Municipal HQ MA performance represents a composite of all fully discretionary municipal fixed income accounts with comparable investment objectives from Nuveen's intermediate high-quality municipal fixed income composite. Certain accounts included in the composite are under comprehensive fee or wrap account programs sponsored by unaffiliated broker-dealers. The composite consists of 9,238 accounts with a market value of \$7.0 billion as of 03/31/18.

Morgan Stanley Performance:

The composite consists of **2,040** account(s) with a market value of **\$1.5 billion** as of **03/31/2018**. In this profile, the performance from January 1, 1996 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: Nuveen's gross results do not reflect a deduction of any investment advisory fees or program fees, charged by Nuveen or Morgan Stanley, but are net of commissions charged on securities transactions.

Net Performance for all Periods: Net performance results reflect a deduction of 0.7% quarterly. This consists of three components: 0.625% maximum quarterly MS Advisory Fee and 0.0175% maximum quarterly Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus 0.0575% quarterly SMA Manager Fees (being the fee currently charged by Nuveen to new clients for managing their assets in the Select UMA program). The SMA Manager Fees may differ from manager to manager, and managers may change their fee to new clients from time to time. If you select this manager for your account, check the SMA Manager Fees specified in the written client agreement, in case these have changed since you received this profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Morgan Stanley program fees are usually deducted quarterly, and have a compounding effect on performance. The Morgan Stanley program fee, which differs among programs and clients, is described in the applicable Morgan Stanley ADV brochure, which is available at www.morganstanley.com/ADV or on request from your Financial Advisor or Private Wealth Advisor.

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

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

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

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

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

No obligation to notify

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

Sources of information

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

No tax advice

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

Not an ERISA fiduciary

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

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INDEX DESCRIPTIONS

90-Day T-Bills

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

BC Muni 7 Yr

The Barclays Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. This index is the 7 Year (6-8) component of the Municipal Bond 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.

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 (\$.50 - \$2.5 billion) and Micro (below \$.50 billion).

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

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

Duration is a measure of price sensitivity expressed in years.

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

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

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

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

Price/Cash Flow Ratio a ratio used to compare a company's market value to its cash flow. It is calculated by dividing the company's market cap by the company' 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.

Vanguard FTSE Developed Markets ETF (USD)

Morningstar Analyst Rtg™
Silver
 07-17-2018

Overall Morningstar Rtg™
 ★★★★★
 623 US Fund Foreign Large Blend

Standard Index
 MSCI ACWI Ex USA NR USD

Category Index
 MSCI ACWI Ex USA NR USD

Morningstar Cat
 US Fund Foreign Large Blend

Performance 06-30-2018					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2016	-1.99	-0.24	6.38	-1.44	2.51
2017	7.81	6.39	5.55	4.44	26.44
2018	-1.13	-1.60	—	—	-2.71
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-18	6.97	—	6.90	3.21	1.65
Std NAV 06-30-18	7.25	—	6.95	3.23	1.71
Mkt Total Ret	6.97	5.68	6.90	3.21	1.65
NAV Total Ret	7.25	5.67	6.95	3.23	1.71
+/- Std Index	-0.03	0.61	0.96	0.69	—
+/- Cat Index	-0.03	0.61	0.96	0.69	—
% Rank Cat	30	21	20	29	—
No. in Cat	774	623	533	371	—

30-day SEC Yield Subsidized Unsubsidized

Performance Disclosure
 The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.
 The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866-499-8473 or visit www.vanguard.com.

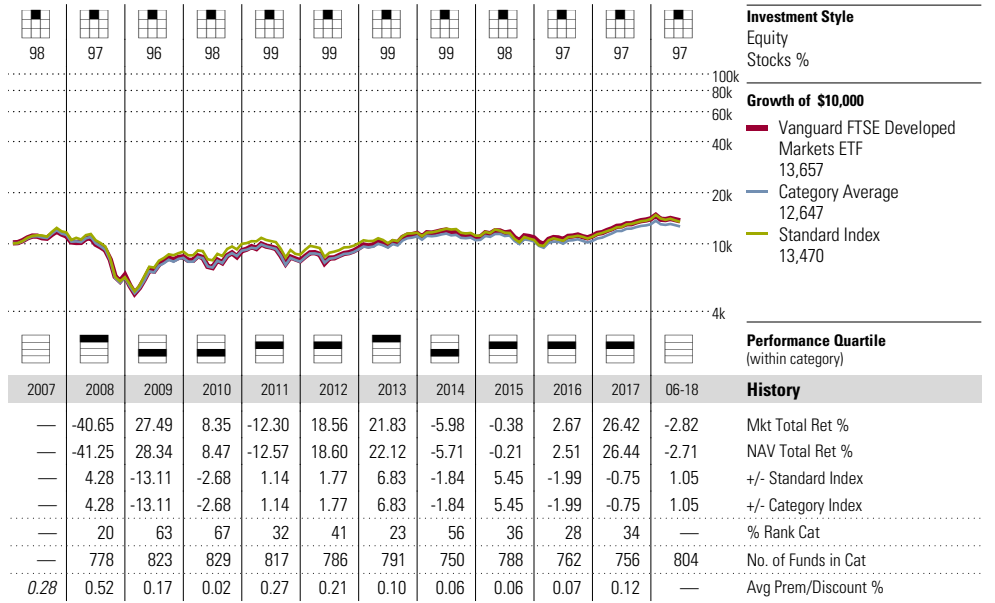
Fees and Expenses	
Fund Expenses	
Management Fees %	0.04
Expense Ratio %	0.07
12b1 Expense %	NA

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	4★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	+Avg	+Avg	+Avg
Standard Deviation NAV	11.30	11.22	18.48
Standard Deviation MKT	11.19	11.30	18.70
Mean NAV	5.67	6.95	3.23
Mean MKT	5.68	6.90	3.21
Sharpe Ratio	0.48	0.62	0.25

MPT Statistics	Standard Index	Best Fit Index
NAV	MSCI EAFE NR USD	—
Alpha	0.93	1.04
Beta	0.91	0.92
R-Squared	95.97	96.59

12-Month Yield	—
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	FTSE Dvlp ex US All Cap(US RIC)NR USD

Operations	
Family:	Vanguard
Manager:	Multiple
Tenure:	5.4 Years
Total Assets:	\$71,470.0 mil
Shares Outstanding:	1,629.13 mil
Type:	ETF
Ticker:	VEA
Incept:	07-20-2007
Expiration Date:	—
Exchange:	NYSE ARCA
NAV:	42.92
Prem/Discount:	-0.05



Portfolio Analysis 06-30-2018							
Asset Allocation %	Net %	Long %	Short %	Share Chg since 05-2018	Share Amount	Holdings : 3,838 Total Stocks , 6 Total Fixed-Income, 3% Turnover Ratio	Net Assets %
Cash	1.33	1.33	0.00	—	—	—	—
US Stocks	1.07	1.07	0.00	⊖	17 mil	Nestle SA	1.23
Non-US Stocks	96.22	96.22	0.00	⊕	113 mil	HSBC Holdings PLC	0.97
Bonds	0.19	0.19	0.00	⊖	24 mil	Samsung Electronics Co Ltd	0.90
Other/Not Clsfd	1.19	1.19	0.00	⊖	14 mil	Toyota Motor Corp	0.86
Total	100.00	100.00	0.00	⊕	12 mil	Novartis AG	0.85

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Share Chg since 05-2018	Share Amount	Holdings	Net Assets %
Value Blend Growth	P/E Ratio TTM	14.4	1.00	1.07	⊕	26 mil	Royal Dutch Shell PLC Class A	0.82
Large Mid Small	P/C Ratio TTM	9.5	1.01	0.96	⊕	4 mil	Roche Holding AG Dividend Right Ce	0.79
	P/B Ratio TTM	1.5	0.96	2.60	⊕	14 mil	Total SA	0.79
	Geo Avg Mkt Cap \$mil	22689	0.67	0.57	⊕	110 mil	BP PLC	0.77
					⊕	21 mil	Royal Dutch Shell PLC B	0.69
					⊕	13 mil	British American Tobacco PLC	0.58
					⊕	5 mil	SAP SE	0.58
					⊖	8 mil	Royal Bank of Canada	0.56
					⊖	10 mil	The Toronto-Dominion Bank	0.55
					⊕	68 mil	Aia	0.54

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
Ltd Mod Ext	—	—	—	—
High Mid Low	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	9.5	0.95
Greater Europe	53.1	1.15
Greater Asia	37.4	0.86

S&P Sector Weightings	Stocks %	Rel Std Index
Energy	7.0	0.94
Materials	8.9	1.09
Industrials	14.8	1.27
Cons Disc	12.4	1.10
Cons Stpls	10.1	1.04
Health Care	9.4	1.15
Financials	19.3	0.88
Info Tech	8.5	0.71
Telecom	3.0	0.82
Utilities	3.0	0.99
Real Estate	3.6	1.14

Vanguard FTSE Emerging Markets ETF (USD)

Morningstar Analyst Rtg™
Bronze
 05-03-2018

Overall Morningstar Rtg™
 ★★★
 688 US Fund Diversified
 Emerging Mkts

Standard Index
 MSCI ACWI Ex
 USA NR USD

Category Index
 MSCI EM NR USD

Morningstar Cat
 US Fund Diversified
 Emerging Mkts

Performance 06-30-2018					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2016	5.36	2.33	7.80	-3.84	11.75
2017	10.87	3.47	7.76	6.28	31.38
2018	2.06	-9.09	—	—	-7.21
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-18	5.94	—	4.34	1.68	6.54
Std NAV 06-30-18	6.27	—	4.32	1.79	6.49
Mkt Total Ret					
5.94	3.68	4.34	1.68	6.54	
NAV Total Ret					
6.27	3.56	4.32	1.79	6.49	
+/- Std Index					
-1.01	-1.51	-1.68	-0.75	—	
+/- Cat Index					
-1.94	-2.04	-0.70	-0.47	—	
% Rank Cat					
53	72	56	55	—	
No. in Cat					
823	688	489	203	—	

30-day SEC Yield

Subsidized Unsubsidized

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

Fees and Expenses

Fund Expenses	
Management Fees %	0.07
Expense Ratio %	0.14
12b1 Expense %	NA

Risk and Return Profile

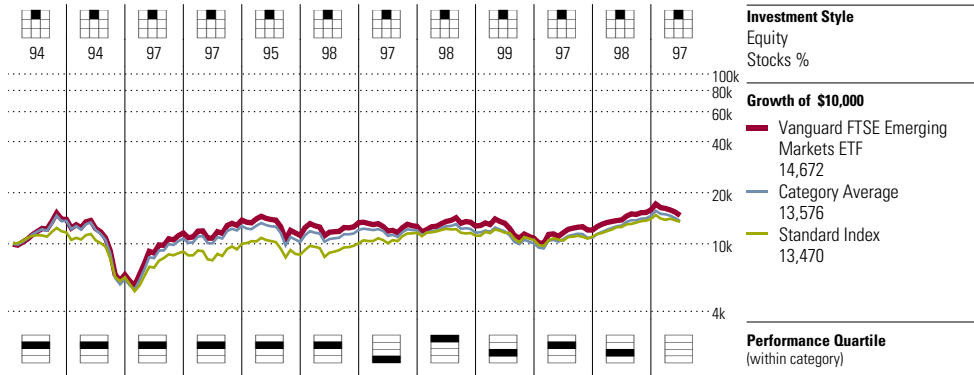
	3 Yr	5 Yr	10 Yr
	688 funds	489 funds	203 funds
Morningstar Rating™	2★	3★	3★
Morningstar Risk	Avg	+Avg	Avg
Morningstar Return	-Avg	Avg	Avg
Standard Deviation NAV	15.56	14.85	22.59
Standard Deviation MKT	15.59	15.01	22.85
Mean NAV	3.56	4.32	1.79
Mean MKT	3.68	4.34	1.68
Sharpe Ratio	0.25	0.33	0.18

MPT Statistics	Standard Index	Best Fit Index
NAV	MSCI EM NR USD	MSCI EM NR USD
Alpha	-1.42	-1.80
Beta	1.08	0.96
R-Squared	71.89	98.02

12-Month Yield	—
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	FTSE EMs AC China A Incl (US RIC) NR USD

Operations

Family:	Vanguard
Manager:	Multiple
Tenure:	9.9 Years
Total Assets:	\$61,826.0 mil
Shares Outstanding:	1,418.03 mil
Type:	ETF



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	06-18	History
Mkt Total Ret %	37.26	-52.49	76.28	19.46	-18.75	19.20	-4.92	-0.07	-15.81	12.21	31.48	-7.32	Mkt Total Ret %
NAV Total Ret %	39.05	-52.77	76.28	18.99	-18.68	18.84	-5.00	0.60	-15.35	11.75	31.38	-7.21	NAV Total Ret %
+/- Standard Index	22.40	-7.25	34.83	7.84	-4.97	2.01	-20.29	4.46	-9.69	7.26	4.19	-3.45	+/- Standard Index
+/- Category Index	-0.37	0.56	-2.23	0.12	-0.25	0.62	-2.40	2.79	-0.43	0.57	-5.90	-0.56	+/- Category Index
% Rank Cat	36	38	34	42	41	48	77	17	62	26	66	—	% Rank Cat
No. of Funds in Cat	274	312	367	386	458	552	614	749	840	813	806	861	No. of Funds in Cat
Avg Prem/Discount %	0.31	0.58	0.39	0.11	0.07	0.01	-0.30	-0.12	-0.14	0.26	0.20	—	Avg Prem/Discount %

Portfolio Analysis 06-30-2018

Asset Allocation %	Net %	Long %	Short %	Share Chg since 05-2018	Share Amount	Holdings: 4,020 Total Stocks, 6 Total Fixed-Income, 6% Turnover Ratio	Net Assets %
Cash	1.80	1.80	0.00				
US Stocks	2.36	2.36	0.00	⊖	88 mil	Tencent Holdings Ltd	5.32
Non-US Stocks	95.05	95.05	0.00	⊕	16 mil	Alibaba Group Holding Ltd ADR	3.59
Bonds	0.02	0.02	0.00	⊖	7 mil	Naspers Ltd Class N	2.00
Other/Not Clsfd	0.77	0.77	0.00	⊖	224 mil	Taiwan Semiconductor Manufacturing	1.91
Total	100.00	100.00	0.00	⊖	1,390 mil	China Construction Bank Corp H	1.53

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Share Chg since 05-2018	Share Amount	Holdings	Net Assets %
P/E Ratio TTM	14.5	1.01	1.04	⊖	30 mil	Taiwan Semiconductor Manufacturing	1.32	
P/C Ratio TTM	9.3	0.98	0.99	⊕	4 mil	Baidu Inc ADR	1.25	
P/B Ratio TTM	1.8	1.09	3.47	⊖	1,221 mil	Industrial And Commercial Bank Of	1.09	
Geo Avg Mkt Cap \$mil	19861	0.58	0.63	⊖	81 mil	Ping An Insurance (Group) Co. of C	0.89	
				⊖	82 mil	China Mobile Ltd	0.87	
				⊖	26 mil	Housing Development Finance Corp L	0.86	
				⊖	48 mil	Reliance Industries Ltd	0.82	
				⊖	230 mil	Hon Hai Precision Industry Co Ltd	0.75	
				⊖	1,192 mil	Bank Of China Ltd H	0.71	
				⊖	29 mil	Infosys Ltd	0.67	

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
	—	—	—	—
	—	—	—	—
	—	—	—	—
	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	12.0	1.19
Greater Europe	14.7	0.32
Greater Asia	73.3	1.68

S&P Sector Weightings	Stocks %	Rel Std Index
Energy	7.3	0.98
Materials	8.0	0.98
Industrials	6.4	0.55
Cons Disc	10.4	0.93
Cons Stpls	6.7	0.69
Health Care	3.5	0.44
Financials	22.2	1.02
Info Tech	23.8	2.00
Telecom	4.4	1.20
Utilities	2.9	0.98
Real Estate	4.2	1.31

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Vanguard Growth ETF (USD)

Morningstar Analyst Rtg™

 07-11-2018

Overall Morningstar Rtg™
 ★★★★★
 1,265 US Fund Large Growth

Standard Index
 S&P 500 TR USD

Category Index
 Russell 1000
 Growth TR USD

Morningstar Cat
 US Fund Large Growth

Performance 06-30-2018

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2016	0.34	1.02	5.14	-0.42	6.13
2017	9.60	4.70	4.85	6.22	27.80
2018	1.19	5.90	—	—	7.16

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-18	19.32	—	15.37	11.18	9.13
Std NAV 06-30-18	19.34	—	15.35	11.18	9.13
Mkt Total Ret	19.32	13.31	15.37	11.18	9.13
NAV Total Ret	19.34	13.31	15.35	11.18	9.13
+/- Std Index	4.97	1.38	1.93	1.01	—
+/- Cat Index	-3.17	-1.66	-1.01	-0.65	—
% Rank Cat	58	40	40	33	—
No. in Cat	1,454	1,265	1,141	825	—

30-day SEC Yield 07-27-2018	Subsidized	Unsubsidized
	1.19	1.19

Performance Disclosure

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866-499-8473 or visit www.vanguard.com.

Fees and Expenses

Fund Expenses	
Management Fees %	0.04
Expense Ratio %	0.05
12b1 Expense %	NA

Risk and Return Profile

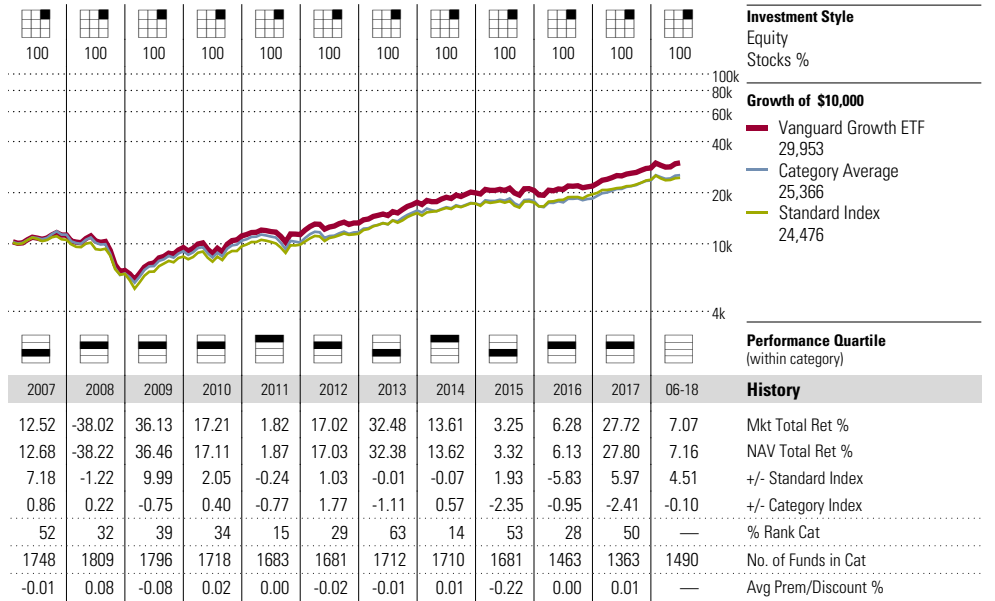
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	3★	4★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	Avg	Avg	+Avg
Standard Deviation NAV	11.41	10.82	15.31
Standard Deviation MKT	11.45	11.08	15.42
Mean NAV	13.31	15.35	11.18
Mean MKT	13.31	15.37	11.18
Sharpe Ratio	1.09	1.34	0.75

MPT Statistics	Standard Index	Best Fit Index
NAV		Russell 1000 Growth TR USD
Alpha	0.56	-1.78
Beta	1.07	1.03
R-Squared	91.58	98.76

12-Month Yield	1.11%
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	CRSP US Large Cap Growth TR USD

Operations

Family:	Vanguard
Manager:	Multiple
Tenure:	23.6 Years
Total Assets:	\$36,459.3 mil
Shares Outstanding:	236.04 mil
Type:	ETF



Portfolio Analysis 06-30-2018

Asset Allocation %	Net %	Long %	Short %	Share Chg since 05-2018	Share Amount	Holdings : 306 Total Stocks , 2 Total Fixed-Income, 8% Turnover Ratio	Net Assets %
Cash	0.40	0.40	0.00				
US Stocks	98.54	98.54	0.00	⊖	31 mil	Apple Inc	7.16
Non-US Stocks	1.04	1.04	0.00	⊕	3 mil	Amazon.com Inc	6.13
Bonds	0.01	0.01	0.00	⊕	17 mil	Facebook Inc A	4.07
Other/Not Clsfd	0.00	0.00	0.00	⊕	2 mil	Alphabet Inc A	2.95
Total	100.00	100.00	0.00	⊕	2 mil	Alphabet Inc C	2.89

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	25.6	1.25	0.94
Mid	P/C Ratio TTM	17.8	1.30	1.00
Small	P/B Ratio TTM	5.7	1.79	31.92
High	Geo Avg Mkt Cap \$mil	95209	0.95	0.60

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
Ltd	—	—	—	—
Mod	—	—	—	—
Ext	—	—	—	—
High	—	—	1.99	—
Med	—	—	—	—
Low	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	99.1	1.00
Greater Europe	0.0	0.00
Greater Asia	0.9	1.74

⊕	13 mil	Visa Inc Class A	2.07
⊖	8 mil	The Home Depot Inc	1.97
⊕	4 mil	Boeing Co	1.71
⊕	7 mil	Mastercard Inc A	1.59
⊕	3 mil	Netflix Inc	1.41
⊕	32 mil	Comcast Corp Class A	1.32
⊕	10 mil	Walt Disney Co	1.30
⊖	11 mil	AbbVie Inc	1.23
⊕	4 mil	NVIDIA Corp	1.13
⊕	11 mil	Philip Morris International Inc	1.10

S&P Sector Weightings	Stocks %	Rel Std Index
Energy	4.0	0.62
Materials	1.8	0.71
Industrials	9.6	1.01
Cons Disc	21.4	1.66
Cons Stpls	4.7	0.67
Health Care	11.8	0.84
Financials	4.3	0.31
Info Tech	37.3	1.44
Telecom	0.2	0.11
Utilities	0.0	0.00
Real Estate	4.9	1.71

Vanguard Mid-Cap ETF (USD)

Morningstar Analyst Rtg™
Gold
 10-03-2017

Overall Morningstar Rtg™
★★★
 369 US Fund Mid-Cap Blend

Standard Index
 S&P 500 TR USD

Category Index
 Russell Mid Cap TR USD

Morningstar Cat
 US Fund Mid-Cap Blend

Performance 06-30-2018					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2016	1.17	2.34	5.18	2.14	11.23
2017	6.18	2.78	3.44	5.64	19.25
2018	0.02	2.56	—	—	2.59
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-18	12.22	—	12.30	10.10	9.74
Std NAV 06-30-18	12.09	—	12.30	10.09	9.73
Mkt Total Ret					
12.22	9.18	12.30	10.10	9.74	
NAV Total Ret					
12.09	9.21	12.30	10.09	9.73	
+/- Std Index	-2.28	-2.72	-1.12	-0.08	—
+/- Cat Index	-0.23	-0.36	0.08	-0.14	—
% Rank Cat	48	42	20	38	
No. in Cat	456	369	329	232	

30-day SEC Yield 07-27-2018	Subsidized	Unsubsidized
	1.51	1.51

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics. The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866-499-8473 or visit www.vanguard.com.

Fees and Expenses

Fund Expenses	
Management Fees %	0.03
Expense Ratio %	0.05
12b1 Expense %	NA

Risk and Return Profile

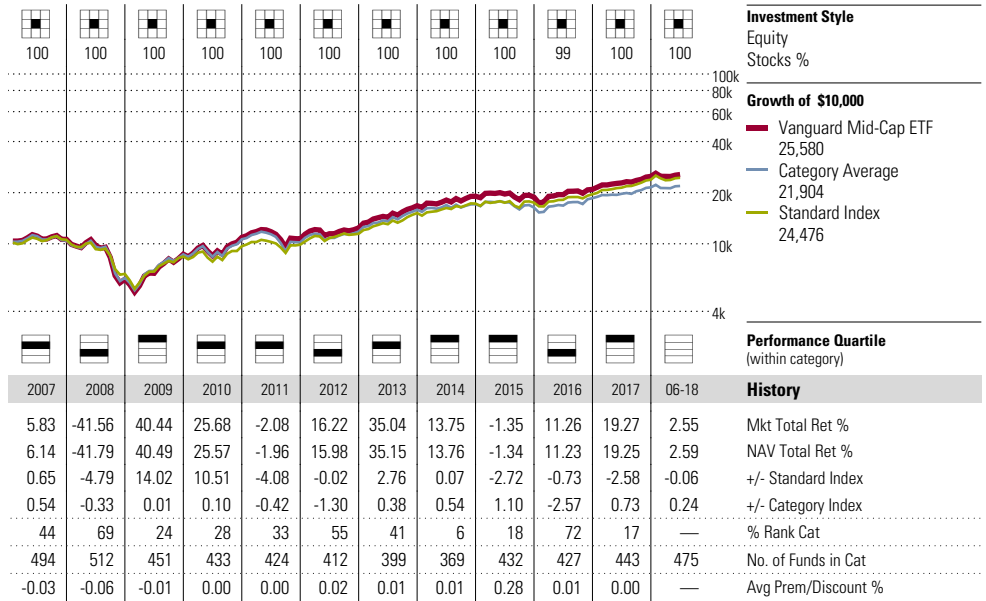
	3 Yr	5 Yr	10 Yr
	369 funds	329 funds	232 funds
Morningstar Rating™	3★	4★	3★
Morningstar Risk	-Avg	-Avg	Avg
Morningstar Return	Avg	+Avg	Avg
Standard Deviation NAV	10.50	10.34	17.26
Standard Deviation MKT	10.55	10.60	17.35
Mean NAV	9.21	12.30	10.09
Mean MKT	9.18	12.30	10.10
Sharpe Ratio	0.82	1.13	0.63

MPT Statistics	Standard Index	Best Fit Index
		Morningstar US Mid Cap TR USD
NAV		
Alpha	-2.15	-0.90
Beta	0.97	0.99
R-Squared	88.81	98.94

12-Month Yield	1.42%
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	CRSP US Mid Cap TR USD

Operations

Family:	Vanguard
Manager:	Multiple
Tenure:	20.2 Years
Total Assets:	\$24,098.8 mil
Shares Outstanding:	149.13 mil
Type:	ETF



Portfolio Analysis 06-30-2018

Asset Allocation %	Net %	Long %	Short %	Share Chg since 05-2018	Share Amount	Holdings : 362 Total Stocks , 3 Total Fixed-Income, 14% Turnover Ratio	Net Assets %
Cash	0.44	0.44	0.00				
US Stocks	98.27	98.27	0.00	⊖	5 mil	Edwards Lifesciences Corp	0.74
Non-US Stocks	1.28	1.28	0.00	⊕	4 mil	ServiceNow Inc	0.73
Bonds	0.01	0.01	0.00	⊖	10 mil	Fiserv Inc	0.73
Other/Not Clsfd	0.00	0.00	0.00	⊕	16 mil	Twitter Inc	0.71
Total	100.00	100.00	0.00	⊖	5 mil	Autodesk Inc	0.69

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	20.9	1.02	1.20	⊖
P/C Ratio TTM	13.4	0.98	1.15	⊖
P/B Ratio TTM	2.7	0.84	6.39	⊖
Geo Avg Mkt Cap \$mil	14656	0.15	1.72	⊖

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
	—	—	—	—
	—	—	2.02	—
	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	99.2	1.00
Greater Europe	0.2	0.64
Greater Asia	0.6	1.14

S&P Sector Weightings	Stocks %	Rel Std Index
Energy	6.8	1.07
Materials	5.9	2.25
Industrials	13.0	1.37
Cons Disc	15.0	1.16
Cons Stpls	3.4	0.49
Health Care	9.6	0.68
Financials	13.8	1.00
Info Tech	20.0	0.77
Telecom	0.6	0.31
Utilities	5.0	1.71
Real Estate	6.8	2.38

Ticker:	VO	Mkt Price:	157.64
Incept:	01-26-2004	Base Currency:	USD
Expiration Date:	—	Legal Structure:	Open Ended Investment Company
Exchange:	NYSE ARCA	Backing Bank:	Vanguard Group Inc
NAV:	157.57		
Prem/Discount:	0.04		

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Vanguard Small-Cap ETF (USD)

Morningstar Analyst Rtg™
Gold
 07-18-2018

Overall Morningstar Rtg™
★★★★
 639 US Fund Small Blend

Standard Index
 S&P 500 TR USD

Category Index
 Russell 2000 TR USD

Morningstar Cat
 US Fund Small Blend

Performance 06-30-2018					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2016	1.01	3.98	6.16	6.11	18.31
2017	3.74	1.94	4.59	5.09	16.24
2018	-0.20	6.21	—	—	6.00
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-18	16.54	—	12.42	11.26	9.63
Std NAV 06-30-18	16.51	—	12.40	11.27	9.64
Mkt Total Ret	16.54	10.45	12.42	11.26	9.63
NAV Total Ret	16.51	10.46	12.40	11.27	9.64
+/- Std Index	2.13	-1.47	-1.02	1.10	—
+/- Cat Index	-1.06	-0.50	-0.06	0.67	—
% Rank Cat	36	37	26	19	—
No. in Cat	775	639	539	393	—

30-day SEC Yield 07-27-2018	Subsidized	Unsubsidized
	1.42	1.42

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics. The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866-499-8473 or visit www.vanguard.com.

Fees and Expenses

Fund Expenses	
Management Fees %	0.02
Expense Ratio %	0.05
12b1 Expense %	NA

Risk and Return Profile

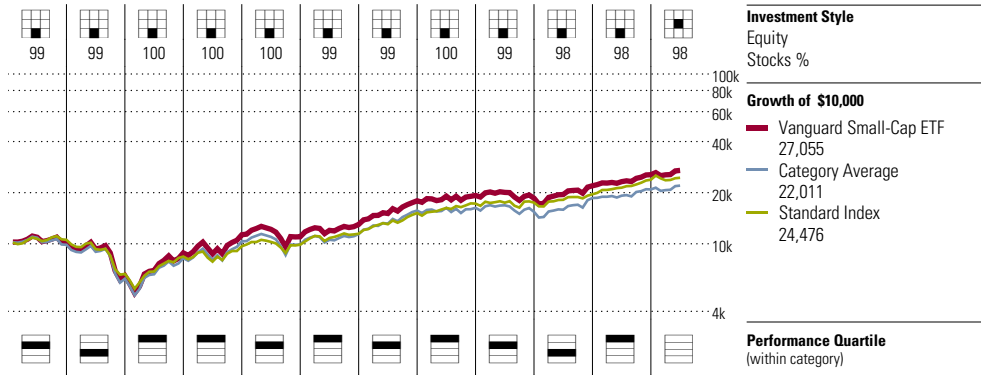
	3 Yr	5 Yr	10 Yr
	639 funds	539 funds	393 funds
Morningstar Rating™	4★	4★	4★
Morningstar Risk	-Avg	-Avg	Avg
Morningstar Return	Avg	+Avg	+Avg
Standard Deviation NAV	12.25	12.13	19.18
Standard Deviation MKT	12.19	12.15	19.28
Mean NAV	10.46	12.40	11.27
Mean MKT	10.45	12.42	11.26
Sharpe Ratio	0.82	0.99	0.64

MPT Statistics	Standard Index	Best Fit Index
NAV		Morningstar US Small Cap TR USD
Alpha	-1.37	0.89
Beta	1.02	0.92
R-Squared	72.39	98.99

12-Month Yield	1.38%
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	CRSP US Small Cap TR USD

Operations

Family:	Vanguard
Manager:	Multiple
Tenure:	2.3 Years
Total Assets:	\$24,268.4 mil
Shares Outstanding:	153.41 mil
Type:	ETF



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	06-18	History
Mkt Total Ret %	1.35	-35.88	35.92	28.11	-2.78	18.29	37.70	7.63	-3.76	18.44	16.26	5.90	Mkt Total Ret %
NAV Total Ret %	1.27	-35.99	36.31	27.89	-2.68	18.22	37.80	7.51	-3.65	18.31	16.24	6.00	NAV Total Ret %
+/- Standard Index	-4.22	1.00	9.85	12.83	-4.79	2.22	5.42	-6.18	-5.04	6.35	-5.59	3.35	+/- Standard Index
+/- Category Index	2.84	-2.21	9.14	1.03	1.50	1.87	-1.02	2.62	0.76	-3.00	1.59	-1.67	+/- Category Index
% Rank Cat	29	52	25	23	42	21	46	13	35	70	14	—	% Rank Cat
No. of Funds in Cat	645	670	649	649	650	662	681	737	780	750	802	800	No. of Funds in Cat
Avg Prem/Discount %	-0.07	0.05	0.06	-0.05	-0.02	-0.02	-0.03	-0.02	0.02	0.00	0.00	—	Avg Prem/Discount %

Portfolio Analysis 06-30-2018

Asset Allocation %	Net %	Long %	Short %	Share Chg since 05-2018	Share Amount	Holdings: 1,408 Total Stocks, 3 Total Fixed-Income, 15% Turnover Ratio	Net Assets %
Cash	1.72	1.72	0.00				
US Stocks	97.83	97.83	0.00	⊕	1 mil	Vail Resorts Inc	0.30
Non-US Stocks	0.44	0.44	0.00	⊕	5 mil	Keysight Technologies Inc	0.30
Bonds	0.01	0.01	0.00	⊕	1 mil	WellCare Health Plans Inc	0.30
Other/Not Clsfd	0.00	0.00	0.00	⊕	3 mil	PTC Inc	0.29
Total	100.00	100.00	0.00	⊕	2 mil	IDEX Corp	0.28

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value	P/E Ratio TTM	19.1	0.93	0.95
Blend	P/C Ratio TTM	12.1	0.89	0.94
Growth	P/B Ratio TTM	2.4	0.74	5.38
Large	Geo Avg Mkt Cap \$mil	3932	0.04	1.32
Mid				
Small				

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
Ltd	—	—	—	—
Mod	—	—	—	—
Ext	—	—	—	—
High	—	—	—	—
Med	—	—	—	—
Low	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	99.8	1.01
Greater Europe	0.1	0.26
Greater Asia	0.1	0.23

⊕	2 mil	Burlington Stores Inc	0.28
⊕	3 mil	Atmos Energy Corp	0.27
⊕	2 mil	Jack Henry & Associates Inc	0.27
⊕	3 mil	Spirit AeroSystems Holdings Inc	0.27
⊕	11 mil	ON Semiconductor Corp	0.26
⊕	2 mil	GrubHub Inc	0.26
⊕	4 mil	East West Bancorp Inc	0.26
⊕	3 mil	Veeva Systems Inc Class A	0.25
⊕	7 mil	NRG Energy Inc	0.25
⊕	4 mil	UGI Corp	0.25

S&P Sector Weightings	Stocks %	Rel Std Index
Energy	5.1	0.80
Materials	5.3	2.05
Industrials	15.5	1.62
Cons Disc	13.0	1.01
Cons Stpls	3.0	0.43
Health Care	12.1	0.86
Financials	14.7	1.06
Info Tech	16.9	0.65
Telecom	0.4	0.20
Utilities	3.7	1.27
Real Estate	10.4	3.63

Vanguard Value ETF (USD)

Morningstar Analyst Rtg™

 05-16-2018

Overall Morningstar Rtg™
 ★★★★★
 1,099 US Fund Large Value

Standard Index
 S&P 500 TR USD

Category Index
 Russell 1000 Value TR USD

Morningstar Cat
 US Fund Large Value

Performance 06-30-2018

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2016	1.64	3.79	3.06	7.51	16.88
2017	3.26	1.82	4.14	6.96	17.12
2018	-2.28	1.25	—	—	-1.06

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-18	10.21	—	11.69	9.26	7.98
Std NAV 06-30-18	10.21	—	11.64	9.25	7.98
Mkt Total Ret	10.21	10.37	11.69	9.26	7.98
NAV Total Ret	10.21	10.34	11.64	9.25	7.98
+/- Std Index	-4.17	-1.59	-1.78	-0.92	—
+/- Cat Index	3.44	2.08	1.30	0.76	—
% Rank Cat	33	15	13	25	—
No. in Cat	1,273	1,099	951	686	—

30-day SEC Yield 07-27-2018	Subsidized	Unsubsidized
	2.55	2.55

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866-499-8473 or visit www.vanguard.com.

Fees and Expenses

Fund Expenses	
Management Fees %	0.04
Expense Ratio %	0.05
12b1 Expense %	NA

Risk and Return Profile

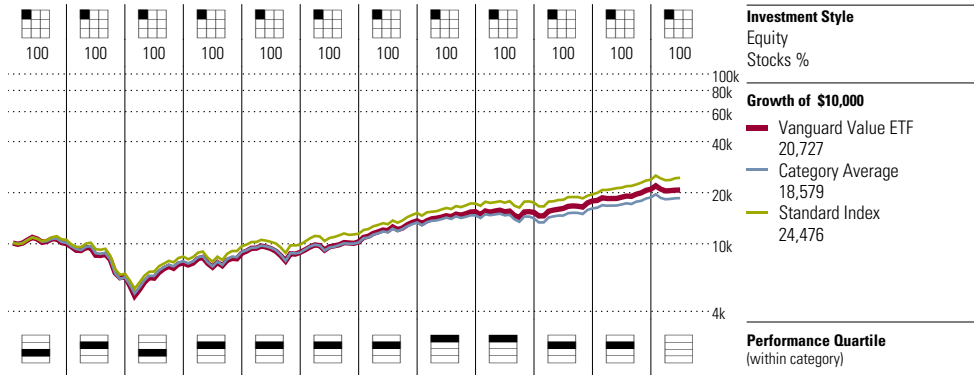
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	5★	4★
Morningstar Risk	-Avg	-Avg	Avg
Morningstar Return	+Avg	+Avg	+Avg
Standard Deviation NAV	9.99	9.72	15.06
Standard Deviation MKT	10.07	9.80	15.08
Mean NAV	10.34	11.64	9.25
Mean MKT	10.37	11.69	9.26
Sharpe Ratio	0.96	1.14	0.64

MPT Statistics	Standard Index	Best Fit Index
NAV		Russell 1000 Value TR USD
Alpha	-0.82	2.17
Beta	0.94	0.96
R-Squared	91.65	98.03

12-Month Yield	2.46%
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	CRSP US Large Cap Value TR USD

Operations

Family:	Vanguard
Manager:	Multiple
Tenure:	23.6 Years
Total Assets:	\$42,106.8 mil
Shares Outstanding:	388.91 mil
Type:	ETF



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	06-18	History
Mkt Total Ret %	-0.11	-35.87	19.86	14.54	1.11	15.19	33.10	13.17	-0.98	17.12	17.14	-1.18	Mkt Total Ret %
NAV Total Ret %	0.20	-35.91	19.72	14.45	1.16	15.19	33.03	13.19	-0.89	16.88	17.12	-1.06	NAV Total Ret %
+/- Standard Index	-5.29	1.09	-6.75	-0.61	-0.95	-0.81	0.64	-0.50	-2.27	4.92	-4.71	-3.71	+/- Standard Index
+/- Category Index	0.38	0.94	0.03	-1.05	0.77	-2.32	0.51	-0.27	2.94	-0.46	3.46	0.63	+/- Category Index
% Rank Cat	62	41	67	34	32	45	34	12	16	27	37	—	% Rank Cat
No. of Funds in Cat	1432	1433	1272	1240	1258	1208	1213	1290	1378	1268	1307	1307	No. of Funds in Cat
Avg Prem/Discount %	-0.03	-0.02	-0.03	0.02	-0.01	0.01	-0.01	0.02	0.01	0.00	0.02	—	Avg Prem/Discount %

Portfolio Analysis 06-30-2018

Asset Allocation %	Net %	Long %	Short %	Share Chg since 05-2018	Share Amount	Holdings : 338 Total Stocks, 1 Total Fixed-Income, 9% Turnover Ratio	Net Assets %
Cash	0.23	0.23	0.00				
US Stocks	99.04	99.04	0.00	⊕	42 mil	Microsoft Corp	6.10
Non-US Stocks	0.72	0.72	0.00	⊕	11 mil	Berkshire Hathaway Inc B	2.93
Bonds	0.01	0.01	0.00	⊕	18 mil	JPMorgan Chase & Co	2.86
Other/Not Clsfd	0.00	0.00	0.00	⊕	23 mil	Exxon Mobil Corp	2.82
Total	100.00	100.00	0.00	⊕	15 mil	Johnson & Johnson	2.62

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	17.1	0.83	1.05
	P/C Ratio TTM	11.1	0.81	1.04
	P/B Ratio TTM	2.3	0.71	4.78
	Geo Avg Mkt Cap \$mil	90809	0.91	0.91

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
	—	—	—	—
	—	—	2.06	—
	—	—	—	—

S&P Sector Weightings	Stocks %	Rel Std Index
Energy	8.3	1.31
Materials	3.5	1.35
Industrials	9.7	1.02
Cons Disc	5.5	0.42
Cons Stpls	8.7	1.25
Health Care	15.7	1.12
Financials	23.0	1.66
Info Tech	15.3	0.59
Telecom	3.7	1.88
Utilities	5.5	1.86
Real Estate	1.0	0.36

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	99.3	1.00
Greater Europe	0.5	1.48
Greater Asia	0.2	0.38

Ticker:	VTV	Mkt Price:	103.83
Incept:	01-26-2004	Base Currency:	USD
Expiration Date:	—	Legal Structure:	Open Ended Investment Company
Exchange:	NYSE ARCA	Backing Bank:	Vanguard Group Inc
NAV:	103.78		
Prem/Discount:	0.05		

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DISCLOSURES

DISCLOSURES: SECURITY TYPE INVESTING RISKS

A. SMALL/MID CAPS U.S. EQUITY

Investing in smaller companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.

B. INTERNATIONAL/EMERGING MARKETS

International investing entails greater risk, as well as greater potential rewards compared to U.S. investing. These risks include potential and economic uncertainties of foreign countries as well as the risk of currency fluctuations. These risks are magnified in countries with emerging markets, since these countries may have relatively unstable governments and less established markets and economics.

C. FIXED INCOME

Fixed Income Securities are subject to interest rate risk, credit risk, prepayment risk, market risk, and reinvestment risk. Fixed Income Securities, if held to maturity, may provide a fixed rate of return and a fixed principal value. Fixed Income Securities prices fluctuate and when redeemed, may be worth more or less than their original cost.

D. REITS

REITs investing risks are similar to these associated with direct investments in real estate; lack of liquidity, limited diversification, and sensitivity to economic factors such as interest rate changes and market recessions.

E. PRIVATE EQUITY

Private equity interests may be highly illiquid, involve a high degree of risk and be subject to transfer restrictions.

F. MANAGED FUTURES

Managed futures investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are suitable only for the risk capital portion of an investor's portfolio. Before investing in any partnership and in order to make an informed decision, investors should read the applicable prospectus and/or offering documents carefully for additional information, including charges, expenses and risks. Investors should read the prospectus and/or offering documents carefully for additional information, including charges, expenses and risks. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio.

G. REAL ASSETS

The prices of real assets – precious metals tend to fluctuate widely and in a unpredictable manor, and have historically experienced periods of flat or declining prices. Their prices are affected by several factors, including global supply and demand, investors expectations with respect to the rate of inflation, currency exchange rates, interest rates, investment and trading activities of hedge funds and commodity funds, and global or regional political, economic or financial events and situations.

H. COMMODITIES

Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention.

I. MASTER LIMITED PARTNERSHIPS

Master Limited Partnerships (MLPs) are (rolled-up) limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock.

DISCLOSURES: SECURITY TYPE INVESTING RISKS CONT'D

J. STRUCTURED PRODUCTS

An investment in Structured Investments involves risks. These risks can include, but are not limited, to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in appreciation of underlying instrument; limited liquidity; credit risk of the issuer; and, conflicts of interest.

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L. Indices are unmanaged. An investor cannot invest directly in an index.

M. Global Investment Solutions is an investment management business of the global Morgan Stanley Smith Barney LLC (Morgan Stanley Wealth Management) group of companies that draws on the collective wisdom and independent thinking of four experienced portfolio management teams. These teams collectively represent a singular vision: to deliver professional investment advice centered on a culture of investment excellence. Each portfolio team within Global Investment Solutions specializes in particular asset classes and investment styles. Possessing extensive knowledge within their respective disciplines, the teams also have the ability to draw on the capital markets analytics and world-wide investment expertise of the Morgan Stanley family of companies and extensive non-proprietary resources.

All services of Global Investment Solutions are delivered to clients in the United States only by Morgan Stanley Wealth Management. These materials are intended only for clients and prospective clients in the United States.

N. Any allocation containing alternative investments should note that they are highly illiquid and are only suitable for investors willing to put capital at risk for an indefinite period of time. Alternative investments often engage in leverage and other speculative investment practices, may involve complex tax structures, typically have higher fees, and generally are not subject to the same regulatory requirements as traditional asset classes.

O. An investment in alternative investments can be highly illiquid, is speculative and not suitable for all investors. Investing in alternative investments is only intended for experienced and sophisticated investors who are willing to bear the high economic risks associated with such an investment. Investors should carefully review and consider potential risks before investing. Some of these risks may include:

- loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices;
- lack of liquidity in that there may be no secondary market for the fund and none is expected to develop;
- volatility of returns;
- restrictions on transferring interests in a fund;
- potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized;
- absence of information regarding valuations and pricing;
- complex tax structures and delays in tax reporting;
- less regulation and higher fees than mutual funds; and
- Risks associated with the operations, personnel, and processes of the manager.

P. Consulting Group is a business of Morgan Stanley Smith Barney LLC.

DISCLOSURES: SECURITY TYPE INVESTING RISKS CONT'D

Q. Borrowing against securities may not be suitable for everyone. 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:

- Sufficient collateral must be maintained to support your loan(s) and to take future advances.
- You may have to deposit additional cash or eligible securities on short notice.
- 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.
- Morgan Stanley Smith Barney LLC or its affiliates (the Firm) reserves the right not to fund any advance request due to insufficient collateral or for any other reason except for the portion of a TL loan that is identified as a committed facility.
- Your collateral maintenance requirements can be increased at any time without notice
- The Firm reserves the right to call securities-based loans at any time and for any reason.

Tailored Lending is provided by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC (Morgan Stanley Wealth Management). All credit facilities are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association and other restrictions also may apply, depending upon the type of collateral securing the transaction. Please contact your Financial Advisor, Private Banker, or Lending Advisor for more details. Tailored Lending may not be available in all locations, and may not be appropriate for all clients. Rates, terms and programs are subject to change without notice. The contents of this document should not be construed as a commitment to lend.

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The proceeds of a Tailored Lending loan/line of credit may not be used to purchase, trade or carry margin stock, or to repay margin debt and cannot be deposited into a Morgan Stanley Wealth Management or other brokerage account.

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T. Investment and services offered through Morgan Stanley Private Wealth Management, a division of Morgan Stanley Smith Barney LLC. Member SIPC.

U.



DISCLOSURES CONT'D

V. Forex transactions have inherent risk, including the potential loss of principal, and are not suitable for all investors. Forex transactions may be subject to exchange (or currency) risk or, the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rate. Before undertaking Forex transactions, you should understand the associated risks. Engaging in foreign currency transactions entails more varied risks than normally associated with transactions in the domestic securities markets. Attention should be paid to market, credit, sovereign and liquidity risks.

Cash or forward positions in foreign currencies are volatile and involve inherent risks including the effect of leverage. The potential of loss is a significant consideration. Because of the effect of leverage, a relatively small market movement will have a proportionately large impact on the funds deposited. This loss can be equal to or, in some instances, greater than the full amount of the initial investment.

Certain Forex transactions may only be entered into by clients who qualify as Eligible Contract Participants (ECP) as defined by the Commodity Exchange Act. Over-the-counter transactions require investors to be classified as an Eligible Contract Participant, and in certain instances transactions may be executed with a counterparty that is an affiliate of Morgan Stanley Wealth Management.

Source: Barron's "Top 1,200 Advisors," March 7, 2016, as identified by Barron's magazine, using quantitative and qualitative criteria and selected from a pool of over 4,000 nominations. Advisors in the Top 1,200 Financial Advisors have a minimum of seven years of financial services experience. Qualitative factors include, but are not limited to, compliance record and philanthropic work. Investment performance is not a criterion. The rating may not be representative of any one client's experience and is not indicative of the financial advisor's future performance. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors pays a fee to Barron's in exchange for the rating. Barron's is a registered trademark of Dow Jones & Company, L.P. All rights reserved.

Source: Registered Representative's "Top 100," [insert Month Date], 2009 bases its rankings exclusively on quantitative criteria: assets under management, size of the book, and an acceptable compliance record. Nominations are not accepted. The rating is not indicative of the Financial Advisor's future performance. Morgan Stanley Smith Barney LLC does not pay a fee to Registered Representative in exchange for the rating.

Source: The Financial Times "Top 400 Financial Advisors," April, 2013. Criteria are based, in part, upon data gathered from and verified by Morgan Stanley as well as qualitative and quantitative criteria, including but not limited to, assets under management, asset growth, compliance records, and experience. Morgan Stanley Financial Advisors were nominated by Morgan Stanley. The rating may not be representative of any one client's experience and is not indicative of the Financial Advisor's future performance. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors pays a fee to The Financial Times in exchange for the rating.

Source: REP Representative's "Top 100 Wirehouse Advisors", August 2012. Selected Financial Advisors are ranked exclusively by assets under management custodied at their firm. Only Financial Advisors for whom 60 percent or more of assets correspond to retail clients were eligible for the list. The rating is not indicative of the Financial Advisor's future performance. Neither the Financial Advisor nor Morgan Stanley Smith Barney LLC pay a fee to REP. magazine in exchange for the ranking.

The Five Star Wealth Manager Award ("the Award") is based on required eligibility criteria including, but not limited to: Active employment in the financial services industry for a minimum of five years and registrations as an investment adviser representative (or other accepted credentials), favorable regulatory/complaint history reviewed defined by Five Star as not having (1) been subject to a regulatory action that resulted in a license being suspended or revoked, or payment of a fine, (2) had more than a total of three customer complaints filed against them (settled or pending) with any regulatory authority or Five Star Professional's consumer complaint process, (3) individually contributed to a financial settlement of a customer complaint filed with a regulatory authority, (4) filed for bankruptcy, or (5) been convicted of a felony, fulfilled internal employer standards, and acceptance of new clients. The following evaluation criteria are also considered: 1-year and 5-year retention rate, administration of non-discretionary client assets, number of households serviced, and designations (e.g., professional, educational). The Award does not evaluate the quality of services furnished to clients and it is possible that the recipient may have received unfavorable ratings from those surveyed. Neither Morgan Stanley nor its Financial Advisors compensated any person or entity to be considered for the Award and the Award is not indicative of the Financial Adviser's future performance. Five Star Professional collected the information for this Award through surveys it conducted.

DISCLOSURES CONT'D

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