

**MORGAN STANLEY GRAYSTONE CONSULTING
THE BRICE GROUP**



**INTERNATIONAL EQUITY
PRESENTATION FOR**

**MICHIGAN COUNTY ROAD COMMISSION
SELF-INSURANCE POOL**

MAY 2018

**THE BRICE GROUP
GRAYSTONE CONSULTING**

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**Graystone
ConsultingSM**

A business of Morgan Stanley

MORGAN STANLEY GRAYSTONE CONSULTING THE BRICE GROUP

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This report must be accompanied by a separate profile document or other report for each mutual fund and exchange-traded fund (ETF), referred to herein as "fund" or "funds", shown in this report, and for each investment manager shown in this report and approved by Morgan Stanley to be offered to investors in any investment advisory program in which you may invest. These separate documents show, for each manager and fund, various information which may include both gross and net performance (which may be more up-to-date than the gross performance shown in this report).

Morgan Stanley has prepared this report for your personal use, at your request, to help you evaluate the asset allocation, investment disciplines and investment managers/funds shown in this report. It is for informational purposes only. It is not a recommendation of a particular portfolio, investment manager or fund. It is not tax or legal advice. The report is based on information you gave Morgan Stanley about your financial situation, investment objectives, risk tolerance and investment time horizon.

IT IS TO BE PRESENTED TO YOU IN A ONE-ON-ONE PRESENTATION WITH YOUR MORGAN STANLEY FINANCIAL ADVISOR OR PRIVATE WEALTH ADVISOR SO THAT YOU HAVE AN OPPORTUNITY TO ASK QUESTIONS. IT IS ONLY TO BE USED IN CONNECTION WITH INVESTMENT ADVISORY PROGRAMS AND NOT BROKERAGE ACCOUNTS.

If you asked us to do so, we have included one or more investment managers/funds that have not been approved by Morgan Stanley to be offered to investors in any investment advisory program in which you may invest. Morgan Stanley does not and will not recommend any such manager/fund for investment in these programs, and has included the manager/fund in the report solely at your request and for your information. The performance shown in this report for any such managers or funds could differ materially from their performance in investment advisory programs offered by firms other than Morgan Stanley. If you have invested with any such manager/fund through another firm, we recommend that you seek information from that firm on the manager's or fund's gross and net performance in its programs.

This report is not complete unless it contains all pages (as indicated in the page numbering below). Please see "Important Notes About Performance" and "Important Notes About this Report" for other important information (including the effect of fees and a summary of the risks associated with particular investment disciplines).

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Prepared Exclusively For: Michigan County Road Commission Self-Insurance Pool

Manager Analysis

**The Brice Group
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Investments and services offered through Morgan Stanley Smith Barney LLC.

Morgan Stanley

Important Notes About Performance

The performance data in this report is historical. Past performance does not guarantee future results.

GROSS PERFORMANCE

The past performance and statistics for investment managers in this report are calculated based on gross performance and do not reflect the deduction of investment management fees and expenses (including Morgan Stanley program fees) that would apply if you invest with any of these managers. The past performance for funds in this report is, and statistics calculated use, gross performance. Returns reflect the funds' internal fees and expenses (such as the funds' management fees and 12b-1 fees), but do not reflect any Morgan Stanley program fees (nor any sales charge or brokerage commission that might apply if you purchased fund shares outside of our investment advisory programs). If you engaged any investment manager or invested in any fund, fees and other expenses would reduce your returns.

NET PERFORMANCE

See the accompanying investment manager profiles for each investment manager in this report for net performance information on the manager. See the accompanying Morningstar profiles for each fund in the report for standardized fund performance (i.e. returns net of any maximum sales charges that apply if you purchase the fund outside of our investment advisory programs) and also returns net of the maximum annual investment advisory fees that apply if you purchase the fund in one of our investment advisory programs. You should carefully read the manager/fund profiles, which may contain more up-to-date performance information than in this report.

NOTE ABOUT ETF PERFORMANCE

For ETFs, performance shown is based on net asset value (NAV). The Morningstar profile that must accompany this report also shows performance based on market price.

COMPOUNDING EFFECT OF FEES AND EXPENSES

The impact of fees and expenses can be material. In most Morgan Stanley investment advisory accounts, fees are deducted quarterly and have a compounding effect on performance. For example, on an account with a 1% annual fee, if the gross annual performance is 6%, the compounding effect of the fees will result in a net performance of approximately 4.94% after one year, 4.81% after three years and 4.66% after five years.

GENERAL DISCLOSURE

The investment return and principal value of an investment will fluctuate so that an investor's shares in a fund, when redeemed, may be worth more or less than their original cost, and investments in separately managed accounts may be worth more or less than the original amount. Current performance may be lower or higher than the performance quoted. For performance data for a fund current to the most recent month end, please either contact the fund (at the toll-free number or website address specified in that fund's profile given to you with this report) or call your Financial Advisor or Private Wealth Advisor at the toll-free number on the cover page of this report.

You would not necessarily have obtained the performance results shown in this report if you had invested with these managers or funds for the periods indicated. Actual performance results of accounts vary due to factors such as the timing of contributions and withdrawals, client restrictions, rebalancing schedules, and fees and costs. THE SELECTION OF MANAGERS/FUNDS IN THIS REPORT MAY REFLECT THE BENEFIT OF HINDSIGHT BASED ON HISTORICAL RATES OF RETURN.

In this report, all performance returns for periods of more than one year are annualized returns and for periods of less than one year are not annualized.

See the applicable Morgan Stanley ADV brochure for an explanation of the fees and charges that would apply if you invest with an investment manager or in a fund through a Morgan Stanley investment advisory program. See "Important Notes About This Report" for information on the sources of performance information in this report.

Manager and Fund Designations

Managers shown in this report may be approved managers offered in some or all of Morgan Stanley's Consulting and Evaluation Services program, Fiduciary Services program or Select UMA program. Please ask your Financial Advisor or Private Wealth Advisor about availability in particular programs. See "Important Notes About This Report" for more information on how Morgan Stanley approves managers for these programs.

Any strategies designated with "GIS" in this report are managed in the Global Investment Solutions program by a team of portfolio managers employed by Morgan Stanley or third party subadvisors. For managers in Morgan Stanley's investment advisory programs, the following terms have the following meanings:

(S-CLOSE) Closed to new accounts but open to additional assets for existing clients.

(H-CLOSE) Closed to new accounts as well as existing clients.

The "Inception Date" is, for separately managed accounts, the date when the investment manager began managing the applicable investment discipline and, for funds, the date the fund was established. In either case, this date may be before the investment discipline or fund became available in any applicable Morgan Stanley investment advisory program.

Inception Date(s):

Invesco Invesco Intl Growth ADR -S	September 2001	N/A
ClearBridge Advisors ClearBridge Intl Growth ADR -S	March 1996	N/A
Newton Capital Management Newton International Equity -S	September 1997	N/A
Renaissance Investment Managem Renaissance Intl Equity -S	June 1994	N/A
Schroders Investment Mgmt Schroders Intl Alpha ADR -S	December 2002	N/A
MSCI AC World Index ex US Net	December 1998	N/A
MSCI EAFE Net	January 1970	N/A

If any mutual funds are listed above, their ticker symbols are shown. "N/A" appears instead for separately managed accounts, exchange traded funds, and indices.

Performance Summary

STANDARD DEVIATION: Standard deviation measures the degree to which a portfolio's performance varies from its average performance during a period. See "Definitions of Statistical Terms Used" for more details.

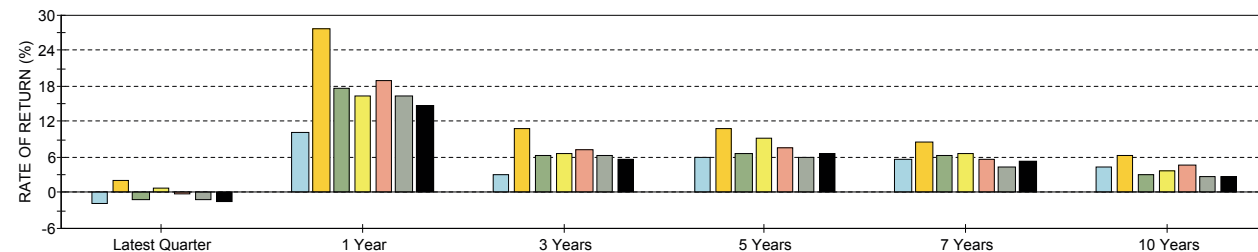
BENCHMARK INDICES: For comparison purposes, this report uses one or more benchmark indices. See "Important Notes About This Report" for more information on benchmark indices.

Performance returns for periods of more than one year are annualized returns and for periods of less than one year are not annualized.

In this report, "N/A" means that a manager's or fund's performance track record is not long enough to calculate the applicable data.

Performance

Periods ending March 31, 2018



	Latest Quarter	1 Year	3 Years	5 Years	7 Years	10 Years
Invesco Invesco Intl Growth ADR -S	-1.94	10.21	3.17	6.08	5.53	4.47
ClearBridge Advisors ClearBridge Intl Growth	1.97	27.71	10.79	10.82	8.63	6.20
Newton Capital Management Newton Internat	-1.07	17.53	6.18	6.72	6.30	2.93
Renaissance Investment Managem Renaissance	0.68	16.47	6.57	9.10	6.60	3.61
Schroders Investment Mgmt Schroders Intl AI	-0.21	19.01	7.26	7.54	5.66	4.64
MSCI AC World Index ex US Net	-1.18	16.53	6.18	5.89	4.26	2.70
MSCI EAFE Net	-1.53	14.80	5.55	6.50	5.31	2.74

STANDARD DEVIATION (%)

	3 Years	5 Years	7 Years	10 Years
Invesco Invesco Intl Growth ADR -S	10.18	9.79	12.47	16.57
ClearBridge Advisors ClearBridge Intl Growth ADR -S	11.66	10.93	14.60	19.31
Newton Capital Management Newton International Equity -S	10.15	9.06	12.14	18.00
Renaissance Investment Managem Renaissance Intl Equity -S	12.25	12.32	14.83	21.22
Schroders Investment Mgmt Schroders Intl Alpha ADR -S	10.80	10.32	14.18	20.57
MSCI AC World Index ex US Net	11.05	10.60	13.49	20.19
MSCI EAFE Net	10.33	10.43	13.18	19.63

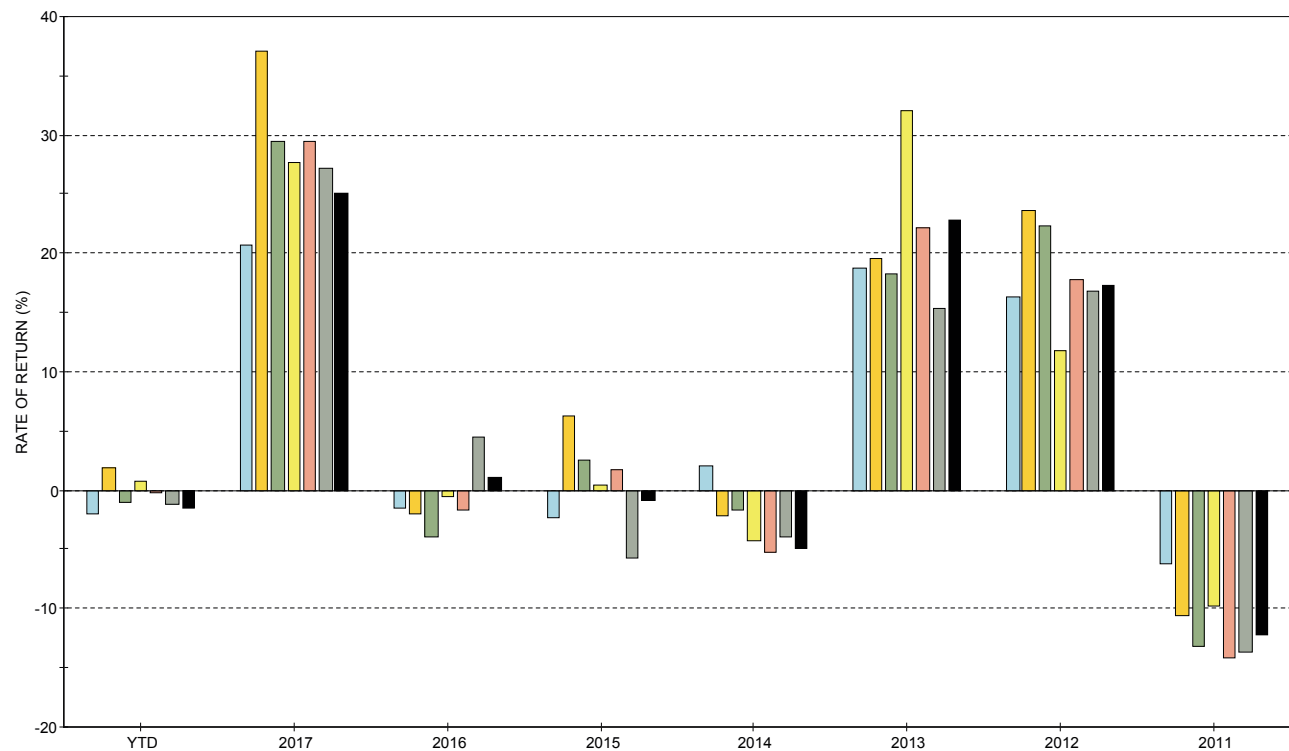
Performance Summary

BENCHMARK INDICES: For comparison purposes, this report uses a weighted combination of the benchmark indices shown on this page for the investment managers and/or funds in the asset allocation according to the relevant percentages ("Index-Hypothetical Portfolio"). See "Important Notes About This Report" for more information on benchmark indices. For more information on the particular benchmarks shown in this report, please ask your Financial Advisor or Private Wealth Advisor.

Performance returns for periods of more than one year are annualized returns and for periods of less than one year are not annualized.

In this report, "N/A" means that the Hypothetical Portfolio's or Index-Hypothetical Portfolio's performance track record is not long enough to calculate the applicable data.

Calendar Performance



	YTD	2017	2016	2015	2014	2013	2012	2011
Invesco Invesco Intl Growth ADR -S	-1.94	20.71	-1.58	-2.34	2.12	18.76	16.40	-6.29
ClearBridge Advisors ClearBridge I	1.97	37.07	-2.04	6.27	-2.17	19.53	23.64	-10.62
Newton Capital Management Newt	-1.07	29.41	-3.89	2.62	-1.70	18.24	22.34	-13.25
Renaissance Investment Managem	0.68	27.66	-0.60	0.39	-4.31	32.02	11.80	-9.81
Schroders Investment Mgmt Schro	-0.21	29.43	-1.75	1.68	-5.31	22.11	17.80	-14.13
MSCI AC World Index ex US Net	-1.18	27.19	4.50	-5.66	-3.87	15.29	16.83	-13.71
MSCI EAFE Net	-1.53	25.03	1.00	-0.81	-4.90	22.78	17.32	-12.14

The performance data shows past performance. Past performance does not guarantee future results. The performance shown is gross performance, and all statistics are calculated using gross performance. If you engaged any investment manager or invested in any fund, fees and other expenses would reduce your returns. Please see the profiles given to you with this report for both gross and net performance information on each investment manager and fund available in the applicable Morgan Stanley programs, which may be more up-to-date than the performance information in this report. See "Important Notes About Performance" on page 2 and "Important Notes About This Report" later in this report.

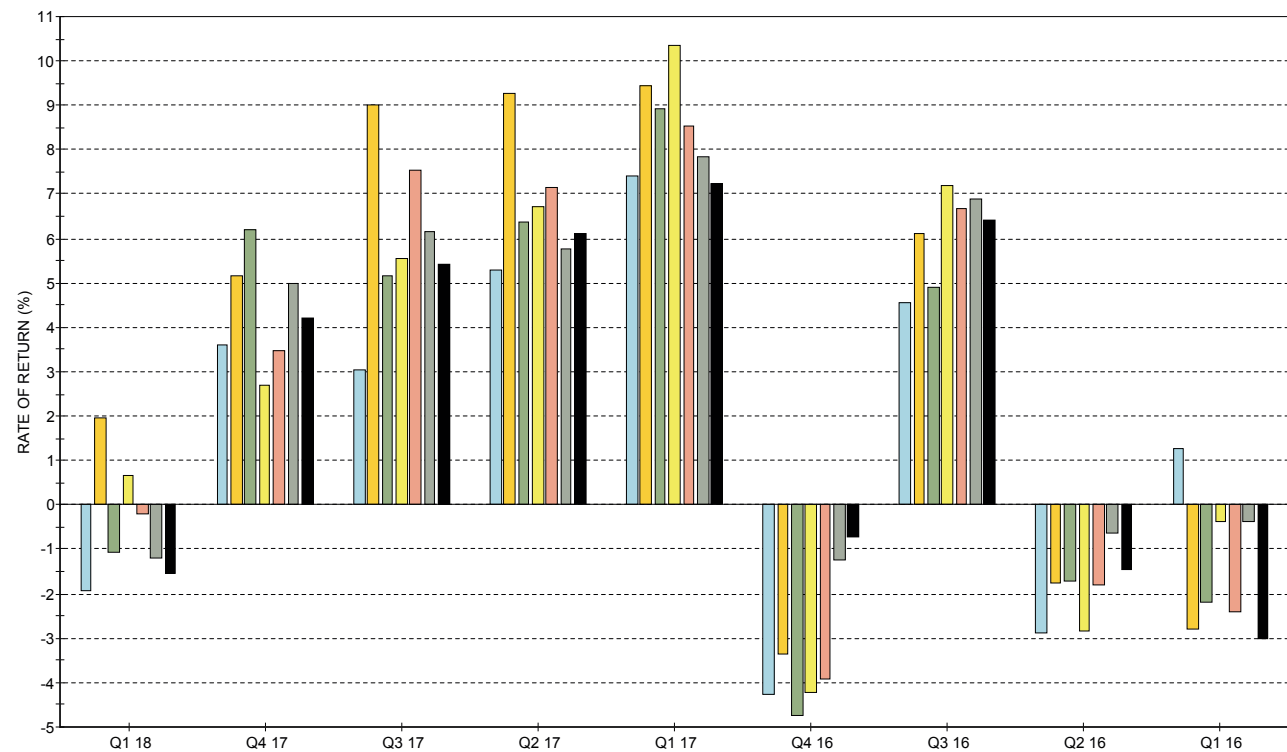
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Quarterly Returns



	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16
Invesco Intl Growth A	-1.94	3.60	3.04	5.28	7.41	-4.26	4.54	-2.88	1.25
ClearBridge Advisors ClearBrid	1.97	5.15	8.99	9.28	9.45	-3.34	6.13	-1.77	-2.79
Newton Capital Management N	-1.07	6.21	5.15	6.38	8.93	-4.73	4.92	-1.71	-2.18
Renaissance Investment Mana	0.68	2.68	5.56	6.73	10.35	-4.23	7.20	-2.83	-0.36
Schroders Investment Mgmt Sc	-0.21	3.47	7.55	7.17	8.53	-3.90	6.66	-1.80	-2.39
MSCI AC World Index ex US Net	-1.18	5.00	6.16	5.78	7.86	-1.25	6.91	-0.64	-0.38
MSCI EAFE Net	-1.53	4.23	5.40	6.12	7.25	-0.71	6.43	-1.46	-3.01

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Performance Summary

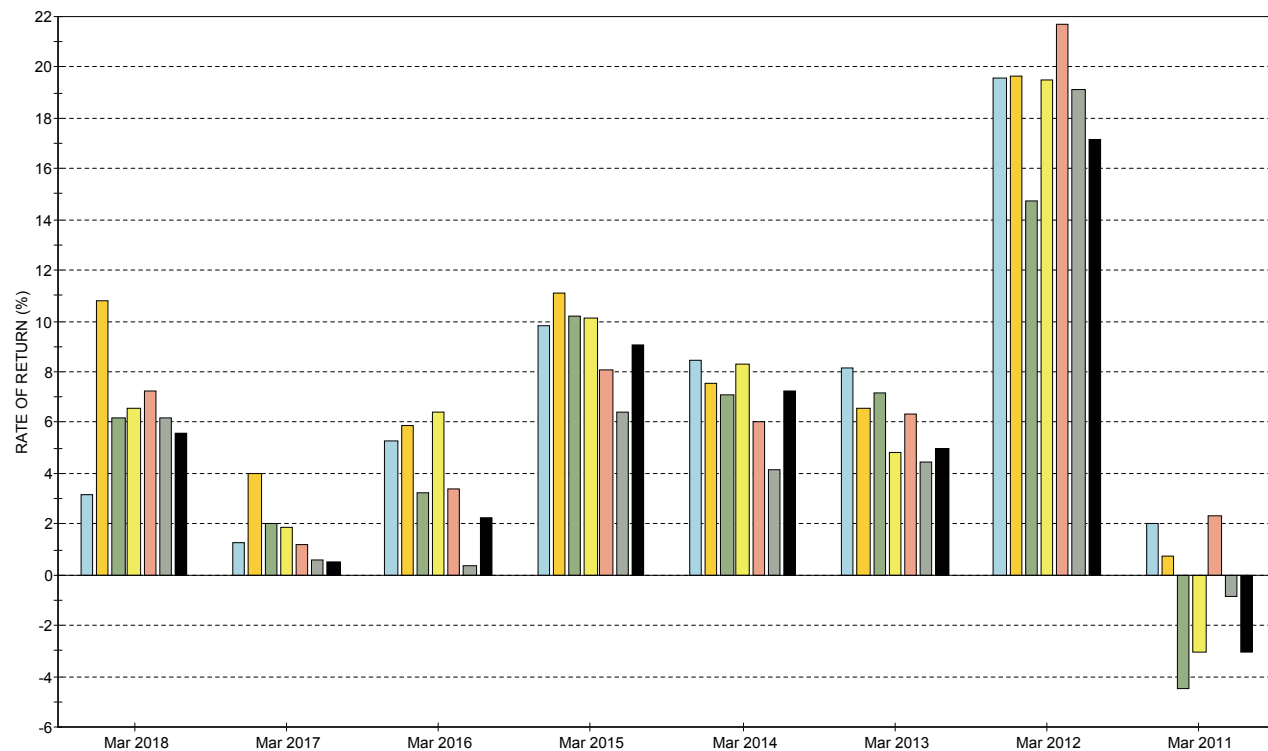
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Looking at performance over rolling periods allows us to identify long-term trends.

This page shows annualized returns for three-year periods ending as of the last day in each specified month.

3-Year Rolling Performance



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014	Mar 2013	Mar 2012	Mar 2011
Invesco Invesco Intl Growth ADR -S	3.17	1.25	5.29	9.85	8.42	8.11	19.60	2.03
ClearBridge Advisors ClearBridge I	10.79	3.97	5.88	11.09	7.55	6.54	19.67	0.74
Newton Capital Management Newt	6.18	2.00	3.24	10.16	7.13	7.20	14.73	-4.52
Renaissance Investment Managem	6.57	1.84	6.43	10.10	8.33	4.82	19.51	-3.03
Schroders Investment Mgmt Schro	7.26	1.23	3.42	8.04	6.00	6.30	21.67	2.29
MSCI AC World Index ex US Net	6.18	0.56	0.32	6.40	4.15	4.41	19.12	-0.85
MSCI EAFE Net	5.55	0.50	2.23	9.02	7.21	5.00	17.13	-3.01

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Performance Summary

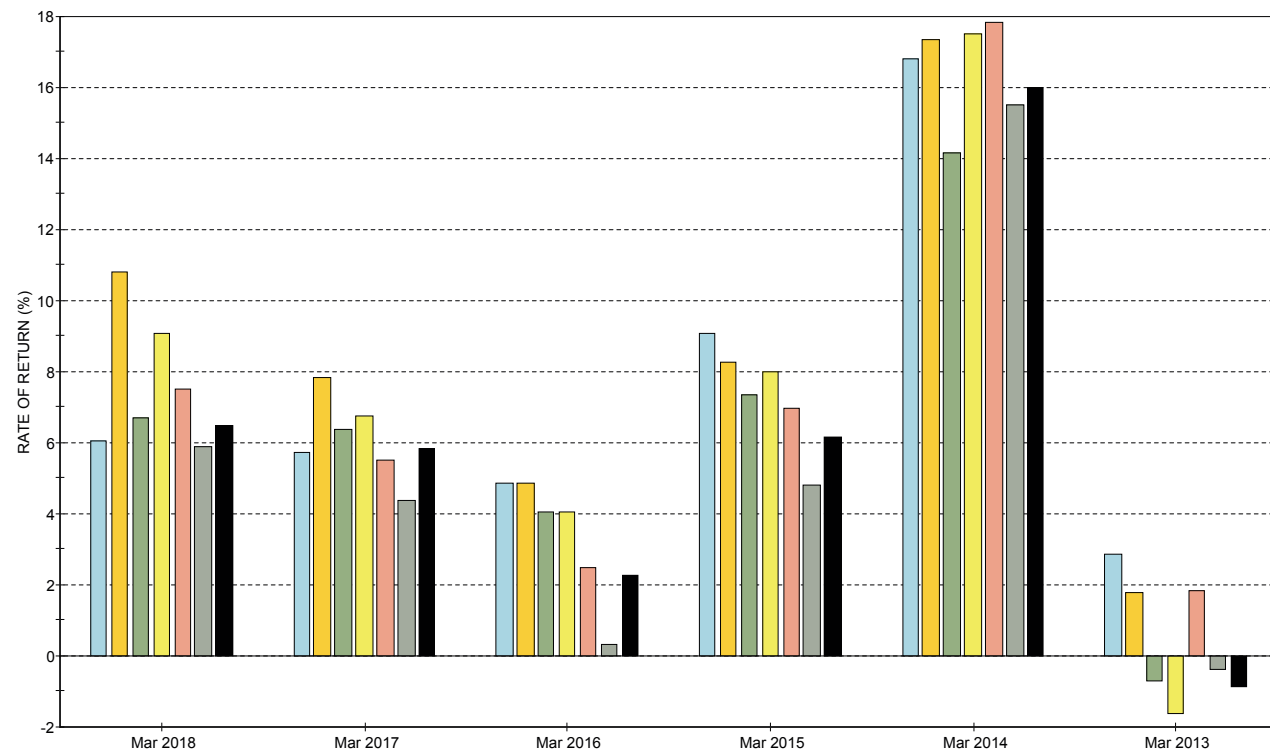
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Looking at performance over rolling periods allows us to identify long-term trends.

This page shows annualized returns for five-year periods ending as of the last day in each specified month.

5-Year Rolling Performance



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014	Mar 2013
Invesco Invesco Intl Growth ADR -S	6.08	5.72	4.85	9.10	16.83	2.89
ClearBridge Advisors ClearBridge Intl Growth	10.82	7.86	4.86	8.25	17.35	1.77
Newton Capital Management Newton Internat	6.72	6.37	4.04	7.33	14.15	-0.72
Renaissance Investment Managem Renaissance	9.10	6.76	4.06	8.02	17.51	-1.60
Schroders Investment Mgmt Schroders Intl AI	7.54	5.51	2.49	6.96	17.82	1.82
MSCI AC World Index ex US Net	5.89	4.36	0.31	4.82	15.52	-0.39
MSCI EAFE Net	6.50	5.83	2.29	6.16	16.02	-0.89

Universe Rankings

The ranking data used in this analysis has been provided by PSN Informa Investment Solutions Inc.

The chart is used to rank the rate of return of each manager/fund (and related benchmark index) against a specified universe of investment managers/funds. (Managers are compared to a universe of managers. Funds are compared to a universe of open-end funds. However, if this report shows both managers and funds, these are compared to a universe consisting of managers and open-end funds.)

The universe includes managers/funds offered in Morgan Stanley's investment advisory programs and managers/funds that do not participate in these programs.

The ranges of returns for the selected universe are represented by floating bars. Each bar is broken up into 4 quartiles. For example, the upper quartile represents the top 25% of the managers/funds in the particular universe for that specific time period. The returns of the selected managers/funds are plotted relative to the floating bars.

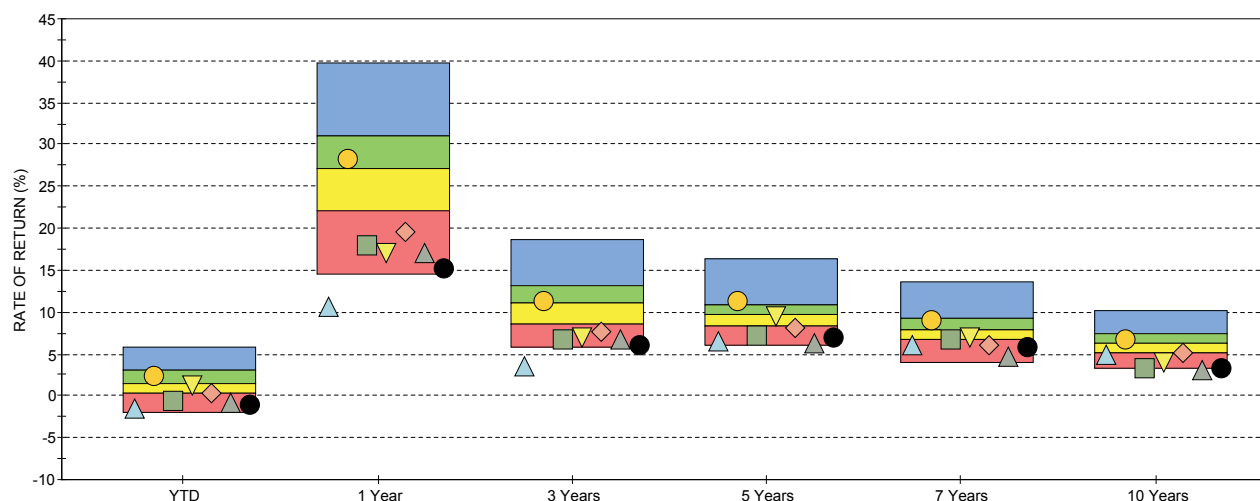
The "Valid Count" shows the number of managers/funds that make up the selected investment universe for each given time period.

Performance returns for periods of more than one year are annualized returns and for periods of less than one year are not annualized.

Performance

Periods ending March 31, 2018

PSN INTERNATIONAL GROWTH



	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
HIGH (0.05)	5.25	39.26	18.20	15.85	13.17	9.77
FIRST QUARTILE	2.53	30.62	12.67	10.43	8.79	7.07
MEDIAN	1.02	26.61	10.57	9.17	7.53	5.85
THIRD QUARTILE	-0.25	21.73	8.10	7.85	6.30	4.73
LOW (0.95)	-2.34	13.99	5.45	5.48	3.56	2.90
MEAN	1.20	26.24	10.55	9.44	7.70	5.98
VALID COUNT	162	163	156	145	126	108

	YTD		1 Year		3 Years		5 Years		7 Years		10 Years	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ Invesco Invesco Intl Growth ADR -S	-1.94	97	10.21	99	3.17	99	6.08	97	5.53	85	4.47	82
● ClearBridge Advisors ClearBridge Intl Growth ADR -S	1.97	38	27.71	41	10.79	46	10.82	22	8.63	25	6.20	42
■ Newton Capital Management Newton International Equity -S	-1.07	91	17.53	90	6.18	96	6.72	90	6.30	75	2.93	98
▼ Renaissance Investment Managem Renaissance Intl Equity	0.68	56	16.47	93	6.57	91	9.10	52	6.60	67	3.61	87
◆ Schroders Investment Mgmt Schroders Intl Alpha ADR -S	-0.21	74	19.01	87	7.26	85	7.54	82	5.66	84	4.64	79
▲ MSCI AC World Index ex US Net	-1.18	93	16.53	93	6.18	96	5.89	98	4.26	96	2.70	99
● MSCI EAFE Net	-1.53	95	14.80	97	5.55	98	6.50	91	5.31	89	2.74	99

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Universe Rankings

This page shows ranking data for three-year rolling periods ending as of the last day in each specified month.

The ranking data used in this analysis has been provided by PSN Informa Investment Solutions Inc.

The chart is used to rank the rate of return of each manager/fund (and related benchmark index) against a specified universe of investment managers/funds. (Managers are compared to a universe of managers. Funds are compared to a universe of open-end funds. However, if this report shows both managers and funds, these are compared to a universe consisting of managers and open-end funds.)

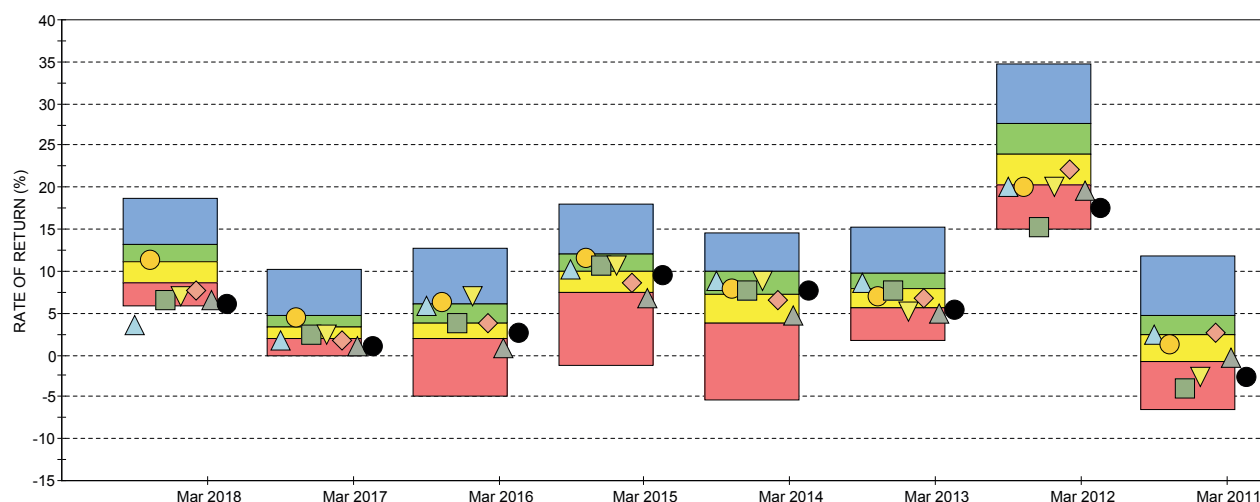
The universe includes managers/funds offered in Morgan Stanley's investment advisory programs and managers/funds that do not participate in these programs.

The ranges of returns for the selected universe are represented by floating bars. Each bar is broken up into 4 quartiles. For example, the upper quartile represents the top 25% of the managers/funds in the particular universe for that specific time period. The returns of the selected managers/funds are plotted relative to the floating bars.

The "Valid Count" shows the number of managers/funds that make up the selected investment universe for each given time period.

3-Year Rolling Performance

PSN INTERNATIONAL GROWTH



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014	Mar 2013	Mar 2012	Mar 2011
HIGH (0.05)	18.20	9.68	12.24	17.63	13.99	14.81	34.34	11.34
FIRST QUARTILE	12.67	4.23	5.73	11.68	9.53	9.38	27.25	4.14
MEDIAN	10.57	2.83	3.43	9.56	6.66	7.49	23.53	1.90
THIRD QUARTILE	8.10	1.53	1.61	6.94	3.34	5.06	19.88	-1.23
LOW (0.95)	5.45	-0.63	-5.44	-1.82	-5.90	1.26	14.54	-6.90
MEAN	10.55	3.05	3.33	9.11	6.22	7.31	23.69	1.85
VALID COUNT	156	167	176	180	169	166	172	171

	Mar 2018		Mar 2017		Mar 2016		Mar 2015		Mar 2014		Mar 2013		Mar 2012		Mar 2011	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ Invesco Invesco Intl Growth ADR -S	3.17	99	1.25	78	5.29	28	9.85	46	8.42	31	8.11	39	19.60	76	2.03	48
● ClearBridge Advisors ClearBridge Intl Growth ADR -S	10.79	46	3.97	28	5.88	21	11.09	28	7.55	41	6.54	59	19.67	75	0.74	63
■ Newton Capital Management Newton International Equity -S	6.18	96	2.00	63	3.24	54	10.16	42	7.13	46	7.20	53	14.73	98	-4.52	95
▼ Renaissance Investment Managem Renaissance Intl Equity	6.57	91	1.84	65	6.43	18	10.10	42	8.33	32	4.82	77	19.51	76	-3.03	85
◆ Schroders Investment Mgmt Schroders Intl Alpha ADR -S	7.26	85	1.23	79	3.42	50	8.04	66	6.00	57	6.30	63	21.67	62	2.29	44
▲ MSCI AC World Index ex US Net	6.18	96	0.56	87	0.32	80	6.40	77	4.15	69	4.41	78	19.12	78	-0.85	73
● MSCI EAFE Net	5.55	98	0.50	87	2.23	64	9.02	57	7.21	46	5.00	75	17.13	88	-3.01	85

Universe Rankings

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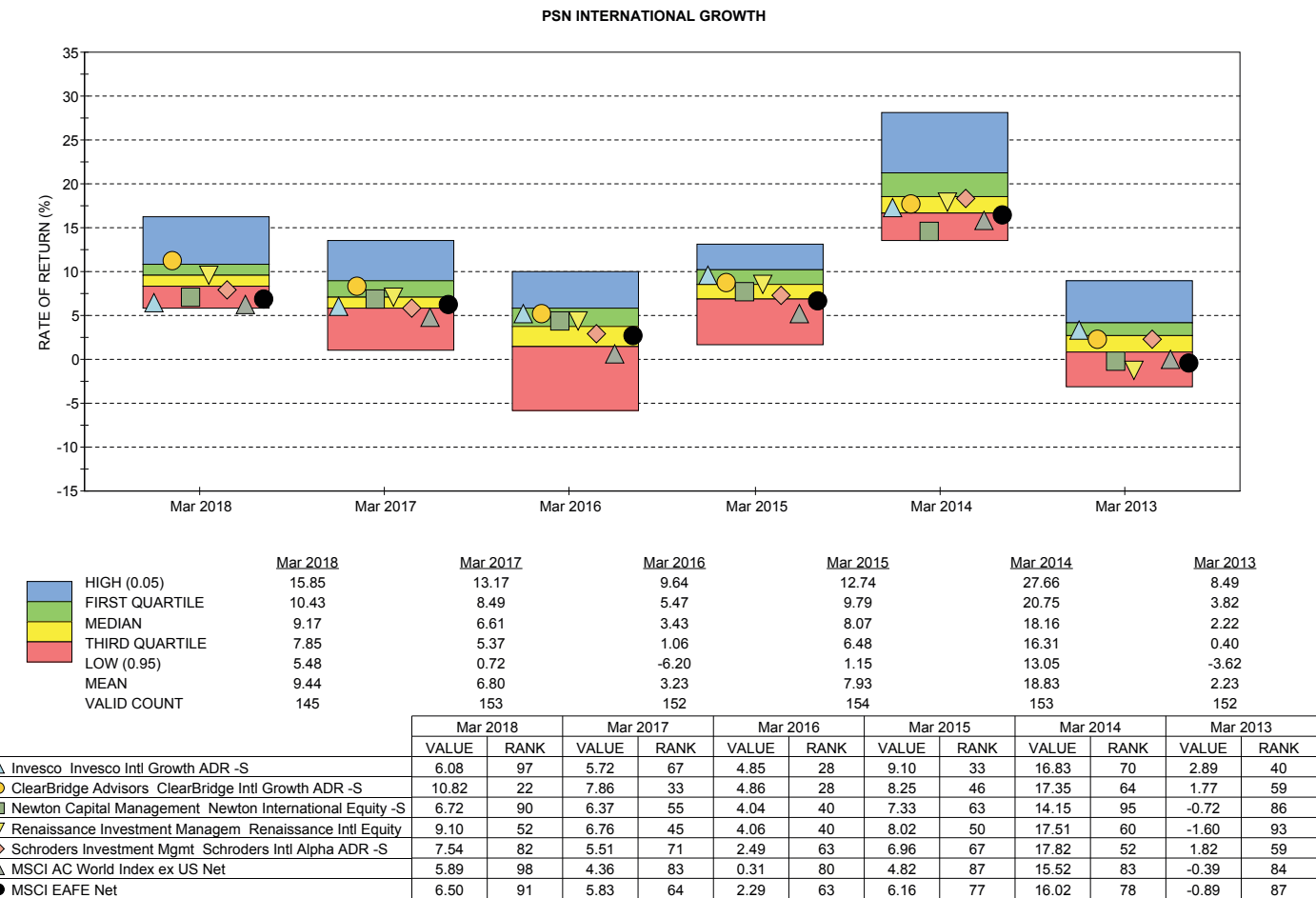
The chart is used to rank the rate of return of each manager/fund (and related benchmark index) against a specified universe of investment managers/funds. (Managers are compared to a universe of managers. Funds are compared to a universe of open-end funds. However, if this report shows both managers and funds, these are compared to a universe consisting of managers and open-end funds.)

The universe includes managers/funds offered in Morgan Stanley's investment advisory programs and managers/funds that do not participate in these programs.

The ranges of returns for the selected universe are represented by floating bars. Each bar is broken up into 4 quartiles. For example, the upper quartile represents the top 25% of the managers/funds in the particular universe for that specific time period. The returns of the selected managers/funds are plotted relative to the floating bars.

The "Valid Count" shows the number of managers/funds that make up the selected investment universe for each given time period.

5-Year Rolling Performance



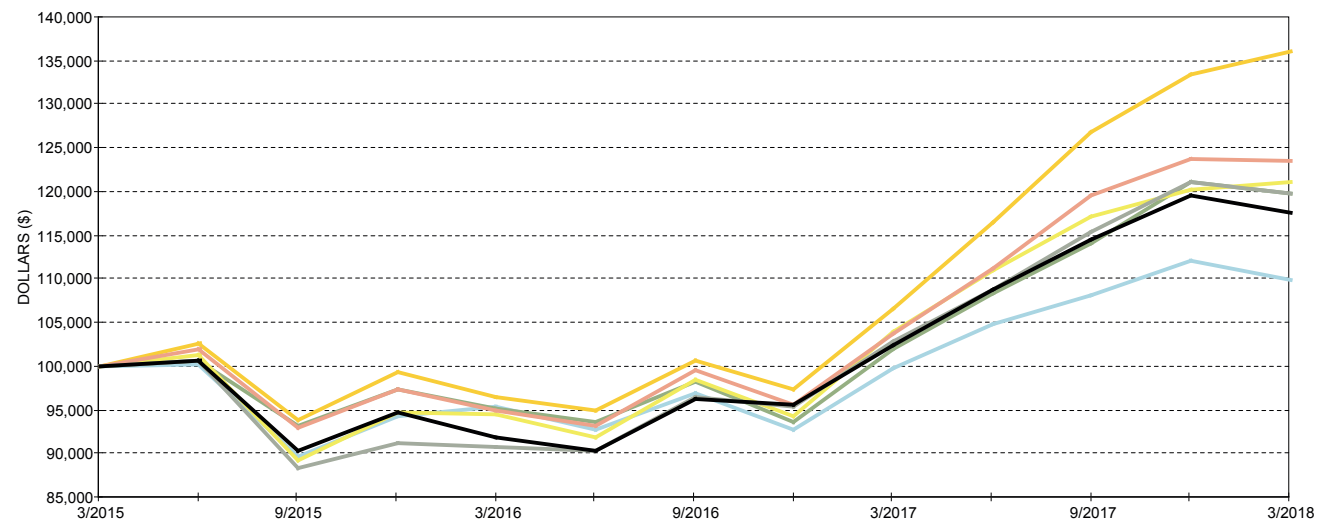
Growth of a \$100,000 Investment

This chart shows the growth of an investment of \$100,000 over a period of time. The table shows the annualized return ("ROR") and standard deviation ("Std Dev") for both the investment managers/funds and each benchmark index over the specified period. It also shows the annualized excess return, cumulative growth, cumulative excess return, beta and Sharpe Ratio for each investment manager/fund and benchmark index against the risk benchmark index specified below the table.

See "Definitions of Statistical Terms Used" for more details.

3-Year Cumulative Performance

Period ending March 31, 2018



3-YEAR PERFORMANCE STATISTICS

	ROR	Ann. Excess Return	Cum Growth	Cum Excess	Std Dev	Beta	Sharpe Ratio
Invesco Invesco Intl Growth ADR -S	3.17	-2.37	9.80	-7.80	10.18	0.92	0.25
ClearBridge Advisors ClearBridge Intl G	10.79	5.09	35.98	18.38	11.66	1.07	0.88
Newton Capital Management Newton In	6.18	0.52	19.72	2.12	10.15	0.92	0.55
Renaissance Investment Managem Re	6.57	1.10	21.02	3.42	12.25	1.13	0.49
Schroders Investment Mgmt Schroders	7.26	1.64	23.41	5.80	10.80	1.01	0.62
MSCI AC World Index ex US Net	6.18	0.66	19.72	2.12	11.05	1.04	0.51
MSCI EAFE Net	5.55	0.00	17.60	0.00	10.33	1.00	0.48

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE Net

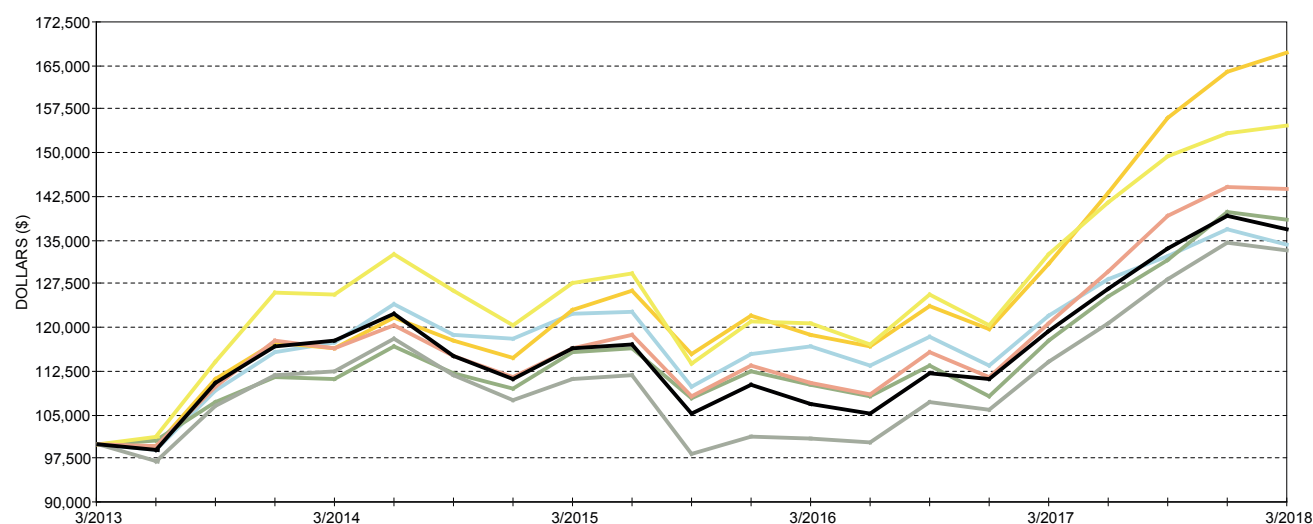
Growth of a \$100,000 Investment

This chart shows the growth of an investment of \$100,000 over a period of time. The table shows the annualized return ("ROR") and standard deviation ("Std Dev") for both the investment managers/funds and each benchmark index over the specified period. It also shows the annualized excess return, cumulative growth, cumulative excess return, beta and Sharpe Ratio for each investment manager/fund and benchmark index against the risk benchmark index specified below the table.

See "Definitions of Statistical Terms Used" for more details.

5-Year Cumulative Performance

Period ending March 31, 2018



5-YEAR PERFORMANCE STATISTICS

	ROR	Ann. Excess Return	Cum Growth	Cum Excess	Std Dev	Beta	Sharpe Ratio
Invesco Invesco Intl Growth ADR -S	6.08	-0.52	34.32	-2.66	9.79	0.88	0.58
ClearBridge Advisors ClearBridge Intl G	10.82	4.12	67.17	30.19	10.93	1.00	0.96
Newton Capital Management Newton In	6.72	0.01	38.41	1.43	9.06	0.80	0.70
Renaissance Investment Managem Re	9.10	2.62	54.57	17.59	12.32	1.13	0.71
Schroders Investment Mgmt Schroders	7.54	0.94	43.80	6.82	10.32	0.96	0.70
MSCI AC World Index ex US Net	5.89	-0.58	33.10	-3.88	10.60	0.99	0.52
MSCI EAFE Net	6.50	0.00	36.98	0.00	10.43	1.00	0.59

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE Net

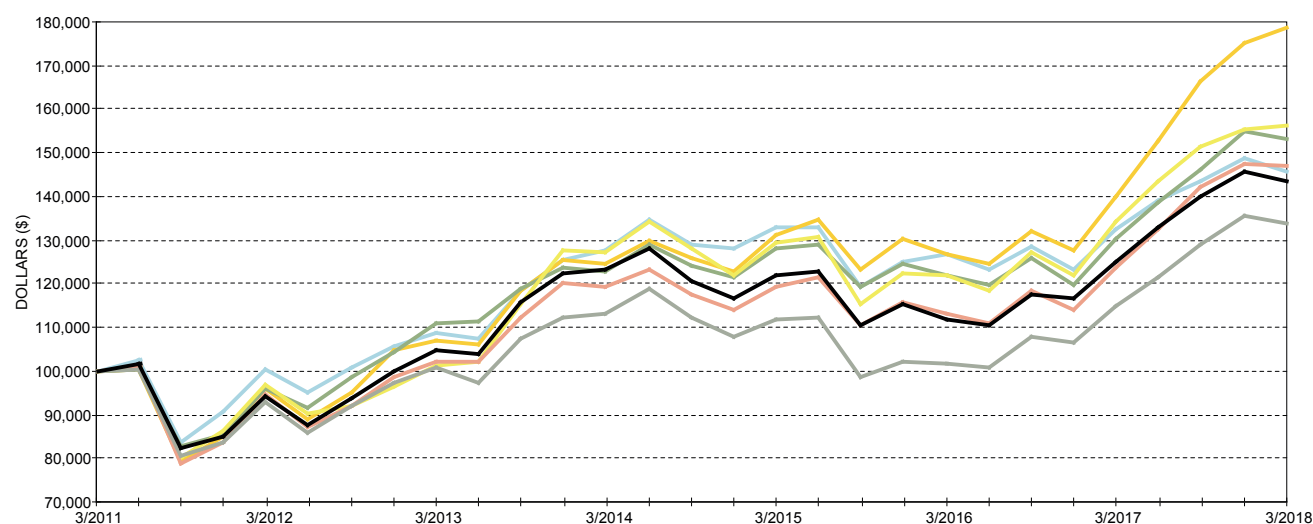
Growth of a \$100,000 Investment

This chart shows the growth of an investment of \$100,000 over a period of time. The table shows the annualized return ("ROR") and standard deviation ("Std Dev") for both the investment managers/funds and each benchmark index over the specified period. It also shows the annualized excess return, cumulative growth, cumulative excess return, beta and Sharpe Ratio for each investment manager/fund and benchmark index against the risk benchmark index specified below the table.

See "Definitions of Statistical Terms Used" for more details.

7-Year Cumulative Performance

Period ending March 31, 2018



7-YEAR PERFORMANCE STATISTICS

	ROR	Ann. Excess Return	Cum Growth	Cum Excess	Std Dev	Beta	Sharpe Ratio
Invesco Invesco Intl Growth ADR -S	5.53	0.05	45.78	2.17	12.47	0.91	0.42
ClearBridge Advisors ClearBridge Intl G	8.63	3.33	78.56	34.96	14.60	1.07	0.57
Newton Capital Management Newton In	6.30	0.75	53.35	9.75	12.14	0.89	0.50
Renaissance Investment Managem Re	6.60	1.39	56.44	12.83	14.83	1.08	0.43
Schroders Investment Mgmt Schroders	5.66	0.45	47.01	3.40	14.18	1.05	0.38
MSCI AC World Index ex US Net	4.26	-0.98	33.88	-9.72	13.49	1.01	0.29
MSCI EAFE Net	5.31	0.00	43.60	0.00	13.18	1.00	0.38

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE Net

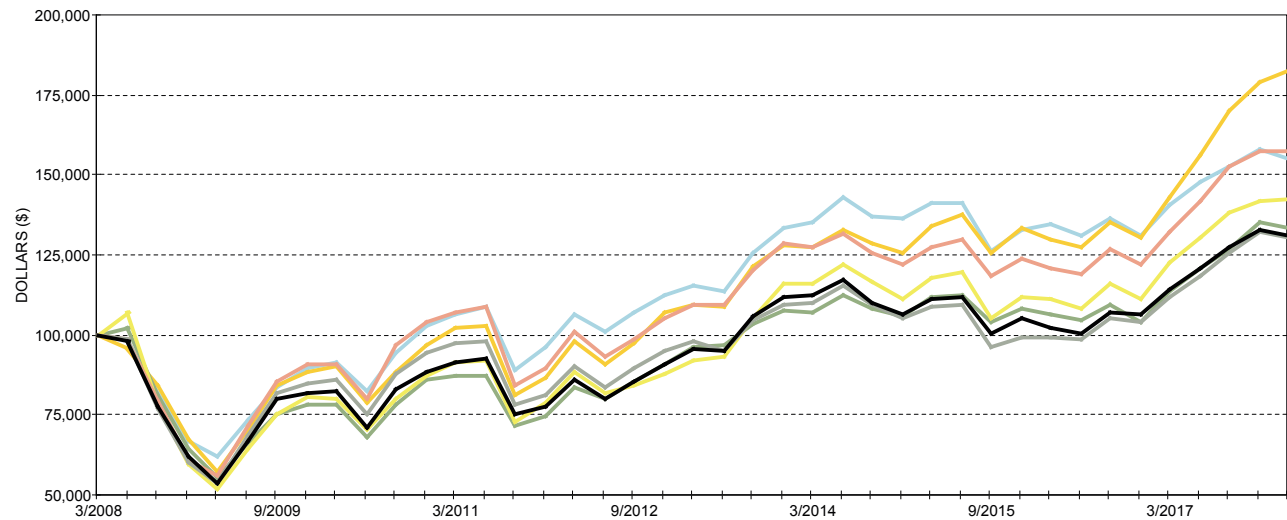
Growth of a \$100,000 Investment

This chart shows the growth of an investment of \$100,000 over a period of time. The table shows the annualized return ("ROR") and standard deviation ("Std Dev") for both the investment managers/funds and each benchmark index over the specified period. It also shows the annualized excess return, cumulative growth, cumulative excess return, beta and Sharpe Ratio for each investment manager/fund and benchmark index against the risk benchmark index specified below the table.

See "Definitions of Statistical Terms Used" for more details.

10-Year Cumulative Performance

Period ending March 31, 2018



10-YEAR PERFORMANCE STATISTICS

	ROR	Ann. Excess Return	Cum Growth	Cum Excess	Std Dev	Beta	Sharpe Ratio
Invesco Invesco Intl Growth ADR -S	4.47	1.00	54.85	23.84	16.57	0.82	0.25
ClearBridge Advisors ClearBridge Intl G	6.20	3.23	82.53	51.52	19.31	0.96	0.30
Newton Capital Management Newton In	2.93	-0.17	33.50	2.49	18.00	0.90	0.15
Renaissance Investment Managem Re	3.61	1.11	42.62	11.62	21.22	1.04	0.16
Schroders Investment Mgmt Schroders	4.64	1.97	57.34	26.34	20.57	1.03	0.21
MSCI AC World Index ex US Net	2.70	0.05	30.50	-0.50	20.19	1.02	0.12
MSCI EAFE Net	2.74	0.00	31.00	0.00	19.63	1.00	0.12

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE Net

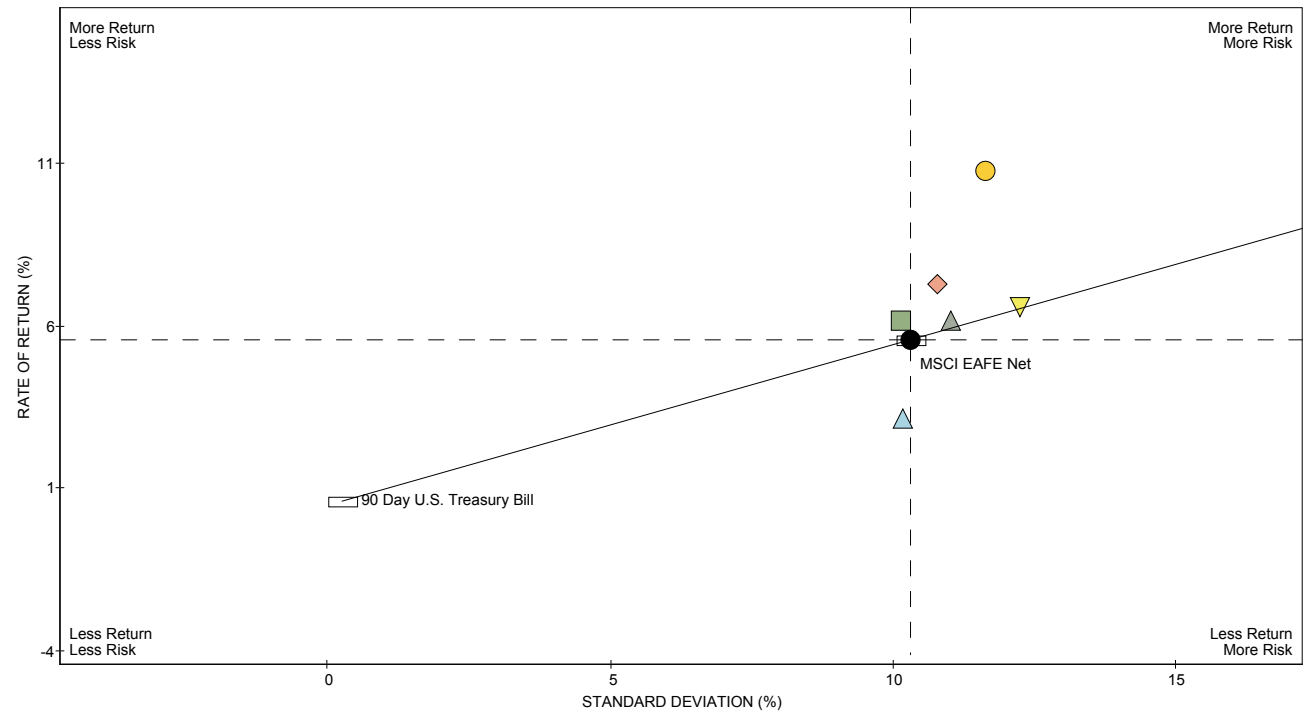
Risk/Reward Analysis

The Risk/Reward Scatter Graph compares the performance ("ROR") and risk (as measured by standard deviation) of each investment manager/fund and benchmark index (if applicable) against the risk benchmark index specified below the table. The table shows various statistics.

See "Definitions of Statistical Terms Used" for more details.

3-Year Risk/Reward Scatter Graph

Period ending March 31, 2018



	ROR	Std Dev	Alpha	Beta	Sharpe Ratio	Tracking Error	Info Ratio	R-Squared
▲ Invesco Invesco Intl Growth ADR -S	3.17	10.18	-1.87	0.92	0.25	3.79	-0.63	0.87
● ClearBridge Advisors ClearBridge I	10.79	11.66	4.76	1.07	0.88	3.66	1.43	0.90
■ Newton Capital Management Newt	6.18	10.15	1.00	0.92	0.55	3.53	0.18	0.88
▼ Renaissance Investment Managem	6.57	12.25	0.48	1.13	0.49	3.98	0.25	0.91
◆ Schroders Investment Mgmt Schro	7.26	10.80	1.63	1.01	0.62	2.82	0.61	0.93
▲ MSCI AC World Index ex US Net	6.18	11.05	0.44	1.04	0.51	2.37	0.27	0.96
● MSCI EAFE Net	5.55	10.33	0.00	1.00	0.48	0.00	0.00	1.00

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE NET

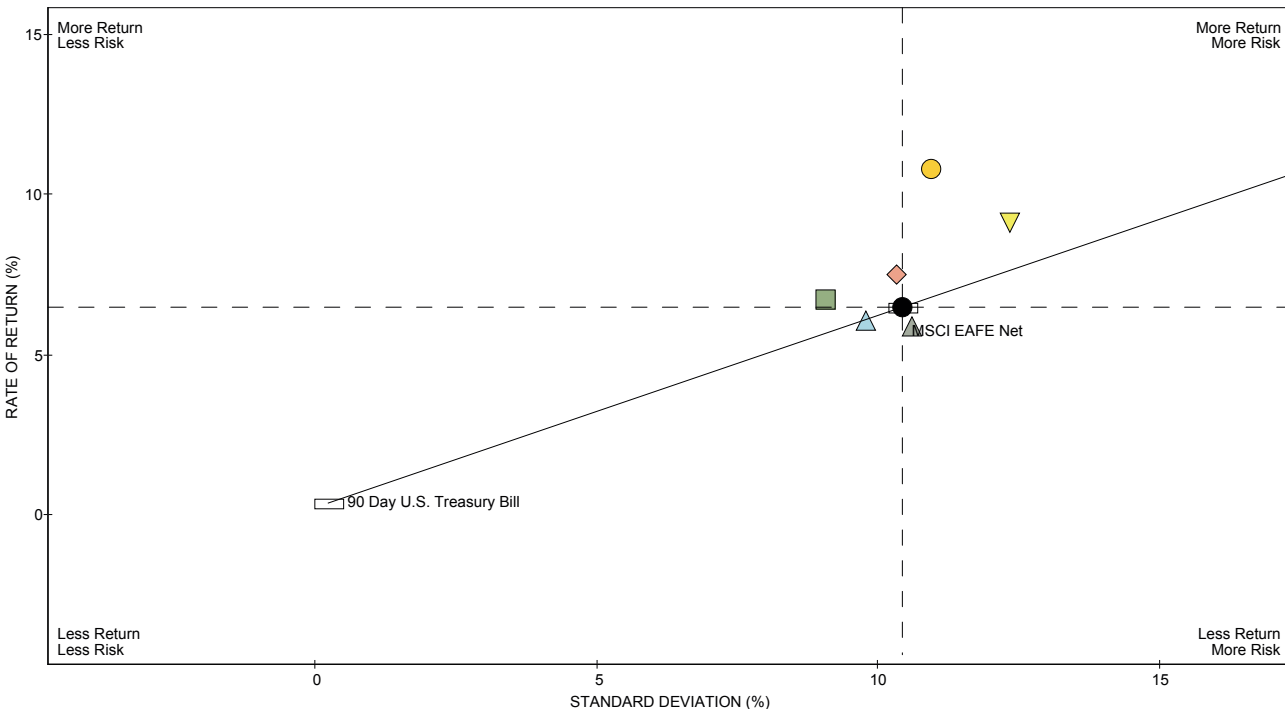
Risk/Reward Analysis

The Risk/Reward Scatter Graph compares the performance ("ROR") and risk (as measured by standard deviation) of each investment manager/fund and benchmark index (if applicable) against the risk benchmark index specified below the table. The table shows various statistics.

See "Definitions of Statistical Terms Used" for more details.

5-Year Risk/Reward Scatter Graph

Period ending March 31, 2018



	ROR	Std Dev	Alpha	Beta	Sharpe Ratio	Tracking Error	Info Ratio	R-Squared
▲ Invesco Invesco Intl Growth ADR -S	6.08	9.79	0.30	0.88	0.58	3.59	-0.12	0.88
● ClearBridge Advisors ClearBridge I	10.82	10.93	4.19	1.00	0.96	3.27	1.33	0.91
■ Newton Capital Management Newt	6.72	9.06	1.36	0.80	0.70	3.94	0.06	0.86
▼ Renaissance Investment Managem	9.10	12.32	1.82	1.13	0.71	3.86	0.67	0.91
◆ Schroders Investment Mgmt Schro	7.54	10.32	1.26	0.96	0.70	2.60	0.40	0.94
▲ MSCI AC World Index ex US Net	5.89	10.60	-0.49	0.99	0.52	2.35	-0.26	0.95
● MSCI EAFE Net	6.50	10.43	0.00	1.00	0.59	0.00	0.00	1.00

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE NET

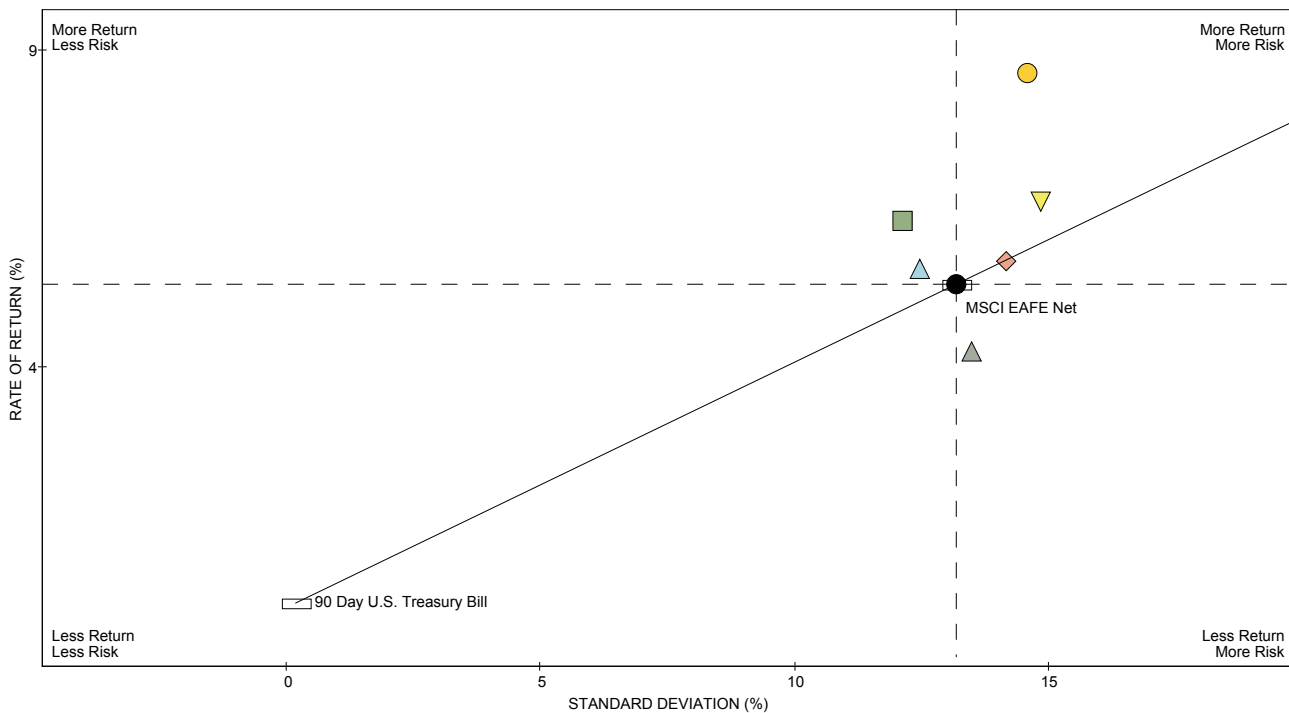
Risk/Reward Analysis

The Risk/Reward Scatter Graph compares the performance ("ROR") and risk (as measured by standard deviation) of each investment manager/fund and benchmark index (if applicable) against the risk benchmark index specified below the table. The table shows various statistics.

See "Definitions of Statistical Terms Used" for more details.

7-Year Risk/Reward Scatter Graph

Period ending March 31, 2018



	ROR	Std Dev	Alpha	Beta	Sharpe Ratio	Tracking Error	Info Ratio	R-Squared
▲ Invesco Invesco Intl Growth ADR -S	5.53	12.47	0.68	0.91	0.42	3.89	0.06	0.91
● ClearBridge Advisors ClearBridge I	8.63	14.60	2.99	1.07	0.57	3.88	0.86	0.93
■ Newton Capital Management Newt	6.30	12.14	1.48	0.89	0.50	3.56	0.28	0.93
▼ Renaissance Investment Managem	6.60	14.83	1.02	1.08	0.43	4.35	0.30	0.92
◆ Schroders Investment Mgmt Schro	5.66	14.18	0.18	1.05	0.38	2.95	0.12	0.96
▲ MSCI AC World Index ex US Net	4.26	13.49	-1.01	1.01	0.29	2.19	-0.48	0.97
● MSCI EAFE Net	5.31	13.18	0.00	1.00	0.38	0.00	0.00	1.00

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE NET

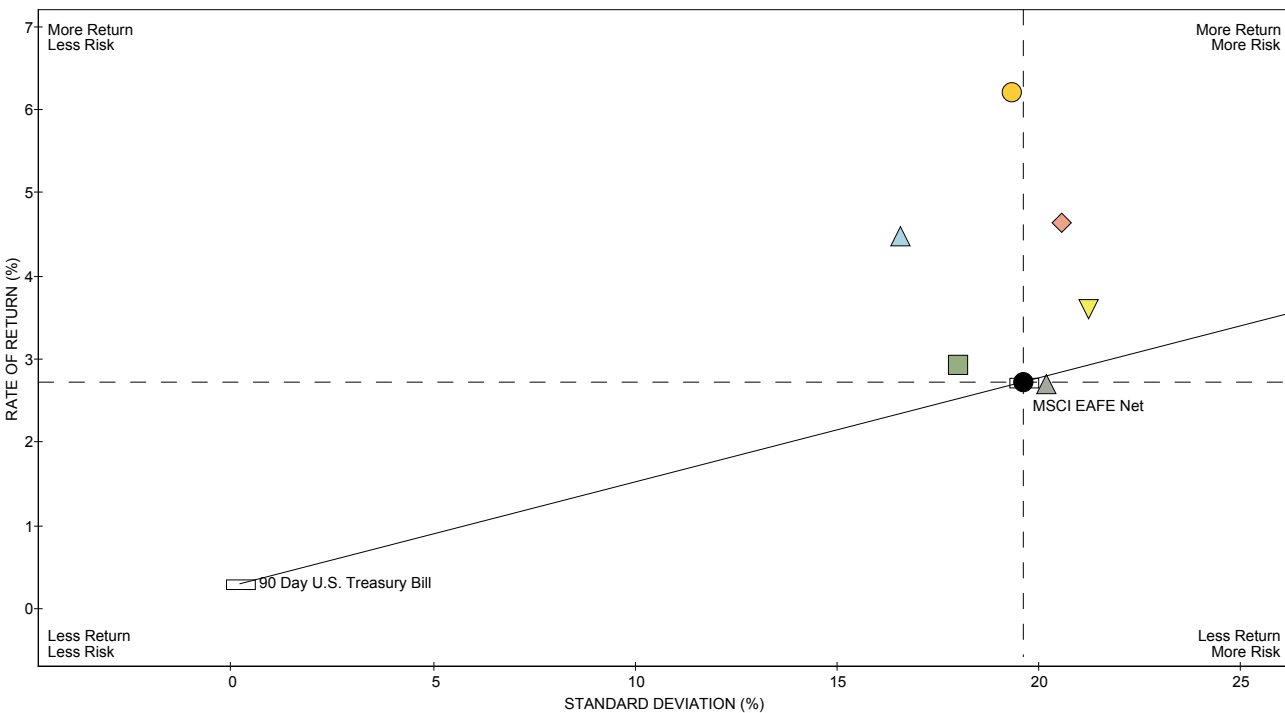
Risk/Reward Analysis

The Risk/Reward Scatter Graph compares the performance ("ROR") and risk (as measured by standard deviation) of each investment manager/fund and benchmark index (if applicable) against the risk benchmark index specified below the table. The table shows various statistics.

See "Definitions of Statistical Terms Used" for more details.

10-Year Risk/Reward Scatter Graph

Period ending March 31, 2018



	ROR	Std Dev	Alpha	Beta	Sharpe Ratio	Tracking Error	Info Ratio	R-Squared
▲ Invesco Invesco Intl Growth ADR -S	4.47	16.57	1.96	0.82	0.25	5.63	0.31	0.93
● ClearBridge Advisors ClearBridge I	6.20	19.31	3.53	0.96	0.30	4.65	0.75	0.94
■ Newton Capital Management Newt	2.93	18.00	0.37	0.90	0.15	4.35	0.04	0.95
▼ Renaissance Investment Managem	3.61	21.22	1.09	1.04	0.16	5.69	0.15	0.93
◆ Schroders Investment Mgmt Schro	4.64	20.57	1.93	1.03	0.21	4.03	0.47	0.96
▲ MSCI AC World Index ex US Net	2.70	20.19	-0.01	1.02	0.12	2.55	-0.02	0.98
● MSCI EAFE Net	2.74	19.63	0.00	1.00	0.12	0.00	0.00	1.00

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE NET

Market Capture Analysis

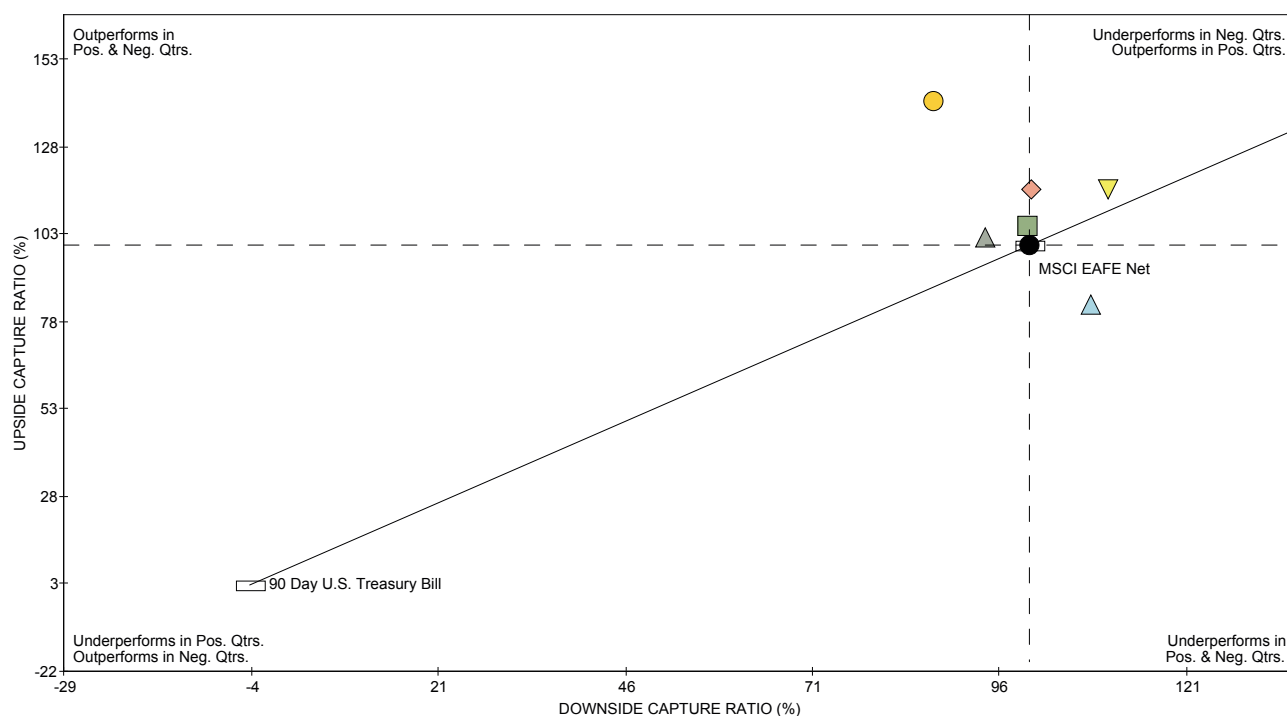
The Capture Ratio Graph measures the market share captured by each investment manager/fund and benchmark index (if applicable) against the risk benchmark specified below the table.

The table shows the number of positive and negative quarterly return periods in the series, the best and worst quarter returns, the upside capture ratio and downside capture ratio calculated with respect to the risk benchmark and R-Squared with respect to the risk benchmark.

See "Definitions of Statistical Terms Used" for more details.

3-Year Capture Ratio Graph

Period ending March 31, 2018



	Pos Periods	Neg Periods	Best Qtr	Worst Qtr	Up Cap Ratio	Down Cap Ratio	R-Squared
▲ Invesco Invesco Intl Growth ADR -S	8.00	4.00	7.41	-10.55	83.00	108.22	0.87
● ClearBridge Advisors ClearBridge Intl G	8.00	4.00	9.45	-8.71	140.82	87.13	0.90
■ Newton Capital Management Newton In	7.00	5.00	8.93	-7.37	105.58	99.60	0.88
▼ Renaissance Investment Managem Re	8.00	4.00	10.35	-11.91	115.98	110.39	0.91
◆ Schroders Investment Mgmt Schroders	7.00	5.00	8.53	-8.78	116.01	100.17	0.93
▲ MSCI AC World Index ex US Net	7.00	5.00	7.86	-12.17	102.15	94.00	0.96
● MSCI EAFE Net	7.00	5.00	7.25	-10.23	100.00	100.00	1.00

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE NET

Market Capture Analysis

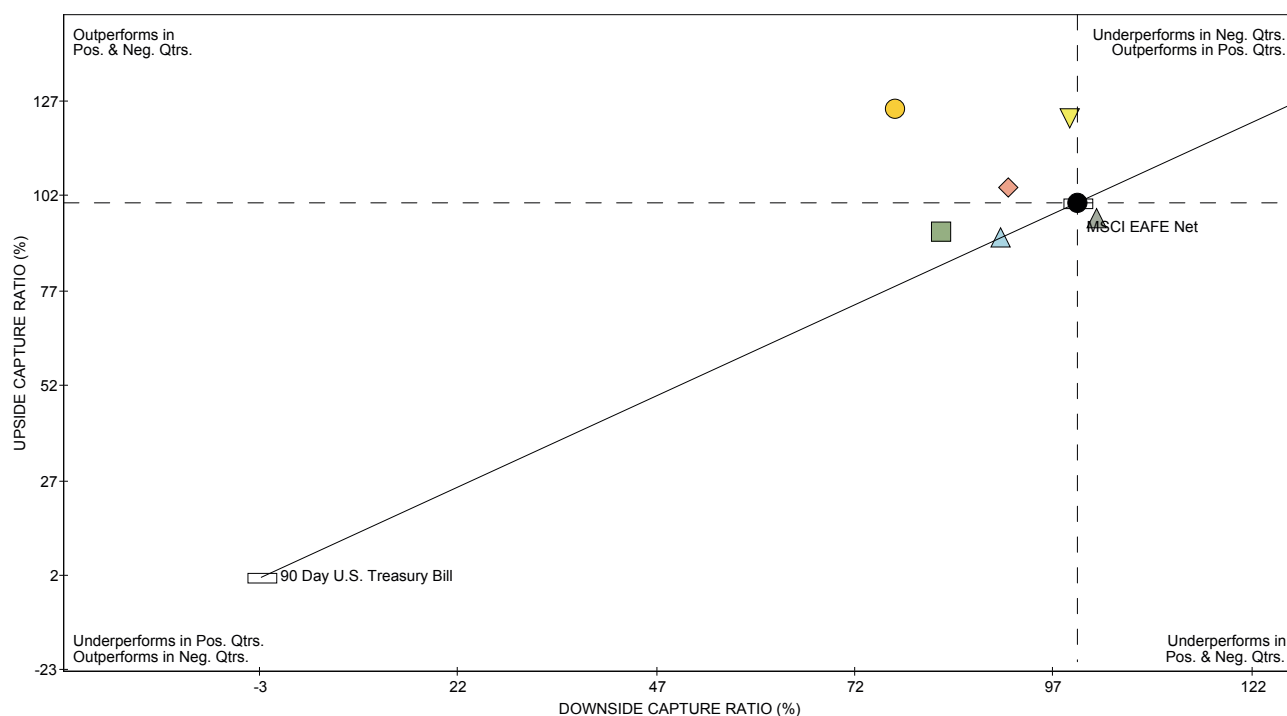
The Capture Ratio Graph measures the market share captured by each investment manager/fund and benchmark index (if applicable) against the risk benchmark specified below the table.

The table shows the number of positive and negative quarterly return periods in the series, the best and worst quarter returns, the upside capture ratio and downside capture ratio calculated with respect to the risk benchmark and R-Squared with respect to the risk benchmark.

See "Definitions of Statistical Terms Used" for more details.

5-Year Capture Ratio Graph

Period ending March 31, 2018



	Pos Periods	Neg Periods	Best Qtr	Worst Qtr	Up Cap Ratio	Down Cap Ratio	R-Squared
▲ Invesco Invesco Intl Growth ADR -S	13.00	7.00	10.35	-10.55	91.09	90.37	0.88
● ClearBridge Advisors ClearBridge Intl G	12.00	8.00	11.55	-8.71	124.67	77.05	0.91
■ Newton Capital Management Newton In	12.00	8.00	8.93	-7.37	92.45	82.79	0.86
▼ Renaissance Investment Managem Re	13.00	7.00	12.83	-11.91	122.28	99.17	0.91
◆ Schroders Investment Mgmt Schroders	11.00	9.00	10.26	-8.78	104.19	91.39	0.94
▲ MSCI AC World Index ex US Net	12.00	8.00	10.09	-12.17	96.03	102.36	0.95
● MSCI EAFE Net	12.00	8.00	11.56	-10.23	100.00	100.00	1.00

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE NET

Market Capture Analysis

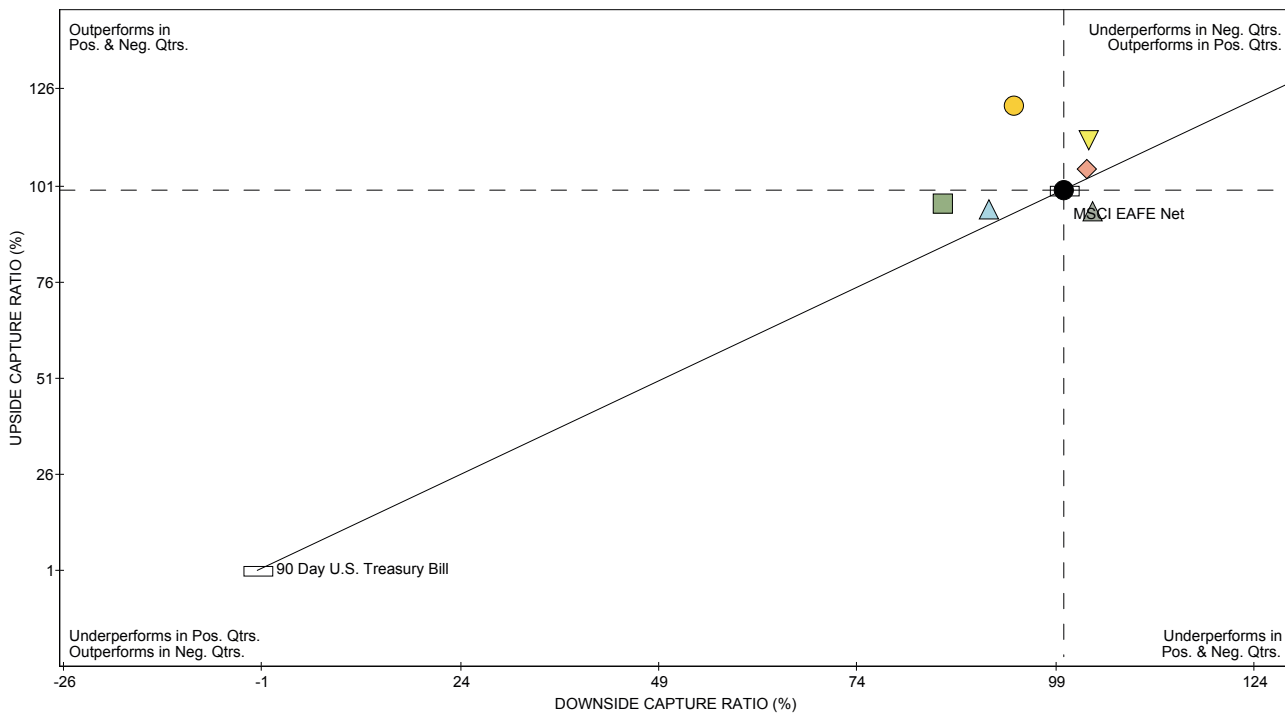
The Capture Ratio Graph measures the market share captured by each investment manager/fund and benchmark index (if applicable) against the risk benchmark specified below the table.

The table shows the number of positive and negative quarterly return periods in the series, the best and worst quarter returns, the upside capture ratio and downside capture ratio calculated with respect to the risk benchmark and R-Squared with respect to the risk benchmark.

See "Definitions of Statistical Terms Used" for more details.

7-Year Capture Ratio Graph

Period ending March 31, 2018



	Pos Periods	Neg Periods	Best Qtr	Worst Qtr	Up Cap Ratio	Down Cap Ratio	R-Squared
▲ Invesco Invesco Intl Growth ADR -S	19.00	9.00	10.35	-18.28	94.70	90.50	0.91
● ClearBridge Advisors ClearBridge Intl G	18.00	10.00	12.86	-21.08	121.64	93.71	0.93
■ Newton Capital Management Newton In	18.00	10.00	12.20	-17.82	96.50	84.77	0.93
▼ Renaissance Investment Managem Re	19.00	9.00	12.83	-20.86	112.67	103.06	0.92
◆ Schroders Investment Mgmt Schroders	17.00	11.00	12.91	-22.22	105.14	103.05	0.96
▲ MSCI AC World Index ex US Net	18.00	10.00	11.23	-19.85	94.40	103.57	0.97
● MSCI EAFE Net	18.00	10.00	11.56	-19.01	100.00	100.00	1.00

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE NET

Market Capture Analysis

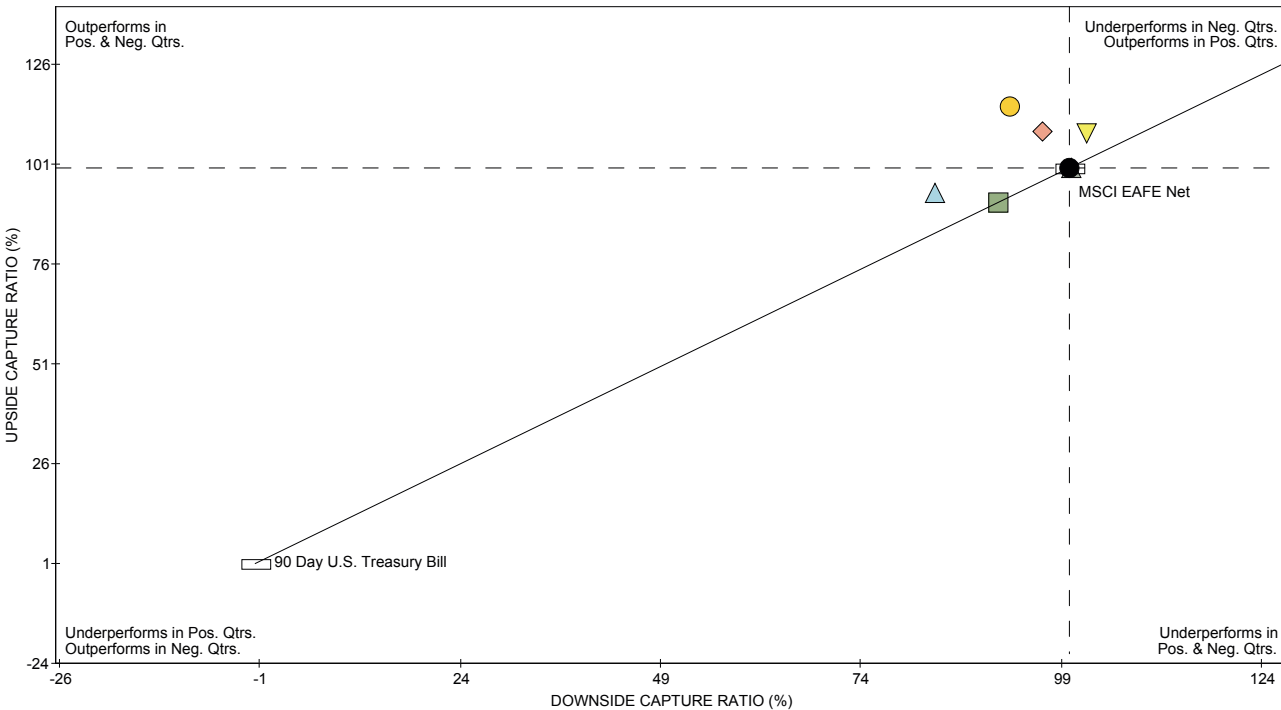
The Capture Ratio Graph measures the market share captured by each investment manager/fund and benchmark index (if applicable) against the risk benchmark specified below the table.

The table shows the number of positive and negative quarterly return periods in the series, the best and worst quarter returns, the upside capture ratio and downside capture ratio calculated with respect to the risk benchmark and R-Squared with respect to the risk benchmark.

See "Definitions of Statistical Terms Used" for more details.

10-Year Capture Ratio Graph

Period ending March 31, 2018



	Pos Periods	Neg Periods	Best Qtr	Worst Qtr	Up Cap Ratio	Down Cap Ratio	R-Squared
▲ Invesco Invesco Intl Growth ADR -S	26.00	14.00	17.58	-18.59	93.57	83.38	0.93
● ClearBridge Advisors ClearBridge Intl G	25.00	15.00	23.71	-21.08	115.39	92.67	0.94
■ Newton Capital Management Newton In	26.00	14.00	19.77	-20.75	91.53	91.14	0.95
▼ Renaissance Investment Managem Re	26.00	14.00	24.38	-26.76	108.50	102.15	0.93
◆ Schroders Investment Mgmt Schroders	24.00	16.00	28.05	-23.68	109.31	96.75	0.96
▲ MSCI AC World Index ex US Net	25.00	15.00	27.59	-22.34	100.05	100.28	0.98
● MSCI EAFE Net	25.00	15.00	25.43	-20.56	100.00	100.00	1.00

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE NET

Alpha Analysis

This page shows annualized alpha ranking data for three-year rolling periods ending as of the last day in each specified month.

The ranking data used in this analysis has been provided by PSN Informa Investment Solutions Inc.

The chart is used to rank the alpha of each manager/fund (and related benchmark index) against a specified universe of investment managers/funds. (Managers are compared to a universe of managers. Funds are compared to a universe of open-end funds. However, if this report shows both managers and funds, these are compared to a universe consisting of managers and open-end funds.)

The universe includes managers/funds offered in Morgan Stanley's investment advisory programs and managers/funds that do not participate in these programs.

The ranges of returns for the selected universe are represented by floating bars. Each bar is broken up into 4 quartiles. For example, the upper quartile represents the top 25% of the managers/funds in the particular universe for that specific time period. The returns of the selected managers/funds are plotted relative to the floating bars.

The "Valid Count" shows the number of managers/funds that make up the selected investment universe for each given time period.

Alpha is a measure of risk-adjusted return. A positive alpha indicates that a manager/fund (or benchmark index, if applicable) produced returns above the expected level at the level of risk (as represented by the risk benchmark specified below the table) and vice versa for a negative alpha. The higher the alpha, the better.

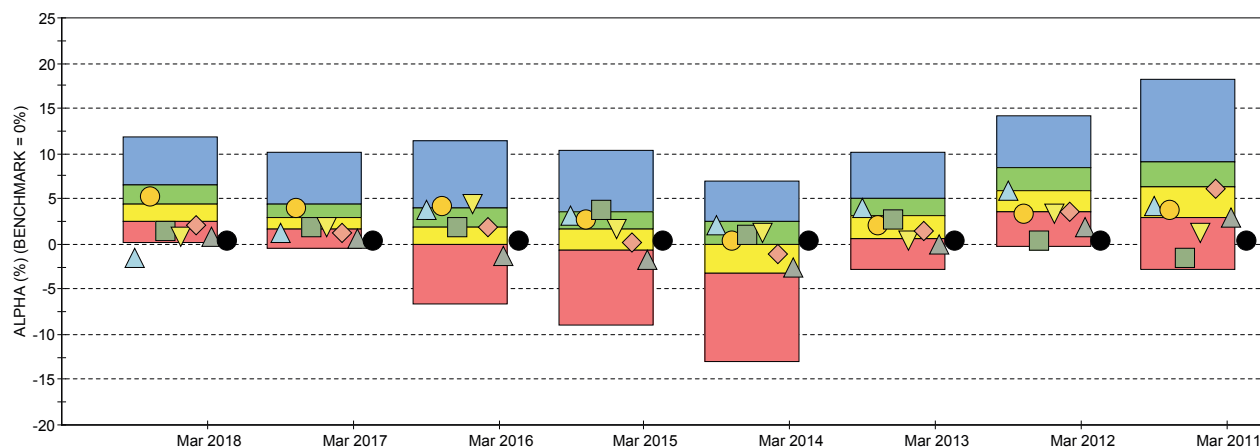
An alpha of 0 implies that a manager/fund (and benchmark index, if applicable) has provided a return that is equivalent to the risk benchmark return used in this analysis.

Looking at alpha over rolling periods allows us to identify long-term trends.

See "Definitions of Statistical Terms Used" for more details.

3-Year Rolling Periods

PSN INTERNATIONAL GROWTH



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014	Mar 2013	Mar 2012	Mar 2011
HIGH (0.05)	11.43	9.75	10.90	10.03	6.57	9.75	13.65	17.73
FIRST QUARTILE	6.15	3.94	3.58	3.05	2.09	4.70	8.05	8.71
MEDIAN	3.96	2.49	1.48	1.25	-0.52	2.71	5.46	5.96
THIRD QUARTILE	2.15	1.21	-0.46	-1.05	-3.73	0.21	3.11	2.53
LOW (0.95)	-0.20	-0.86	-6.97	-9.45	-13.47	-3.21	-0.60	-3.15
MEAN	4.34	2.80	1.43	1.11	-0.99	2.42	5.67	6.19
VALID COUNT	156	167	176	180	169	166	172	171

	Mar 2018		Mar 2017		Mar 2016		Mar 2015		Mar 2014		Mar 2013		Mar 2012		Mar 2011	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ Invesco Invesco Intl Growth ADR -S	-1.87	99	0.81	80	3.25	30	2.64	29	1.68	27	3.46	34	5.45	50	3.79	69
● ClearBridge Advisors ClearBridge Intl Growth ADR -S	4.76	37	3.49	32	3.71	22	2.24	37	-0.15	45	1.58	60	2.85	76	3.25	71
■ Newton Capital Management Newton International Equity -S	1.00	89	1.52	67	1.52	49	3.43	22	0.66	36	2.31	53	-0.15	97	-2.06	97
▼ Renaissance Investment Managem Renaissance Intl Equity	0.48	96	1.45	68	3.97	19	1.24	50	0.85	33	0.03	77	2.89	76	0.75	83
◆ Schrodgers Investment Mgmt Schrodgers Intl Alpha ADR -S	1.63	84	0.74	82	1.35	52	-0.29	68	-1.61	65	1.04	66	3.17	73	5.75	53
▲ MSCI AC World Index ex US Net	0.44	96	0.11	88	-1.77	83	-2.07	83	-2.95	69	-0.55	81	1.46	89	2.51	75
● MSCI EAFE Net	0.00	98	0.00	90	0.00	71	0.00	65	0.00	43	0.00	77	0.00	97	0.00	91

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE Net

Beta Analysis

This page shows annualized beta ranking data for three-year rolling periods ending as of the last day in each specified month.

The ranking data used in this analysis has been provided by PSN Informa Investment Solutions Inc.

The chart is used to rank the beta of each manager/fund (and related benchmark index) against a specified universe of investment managers/funds. (Managers are compared to a universe of managers. Funds are compared to a universe of open-end funds. However, if this report shows both managers and funds, these are compared to a universe consisting of managers and open-end funds.) The universe includes managers/funds offered in Morgan Stanley's investment advisory programs and managers/funds that do not participate in these programs.

The ranges of returns for the selected universe are represented by floating bars. Each bar is broken up into 4 quartiles. For example, the upper quartile represents the top 25% of the managers/funds in the particular universe for that specific time period. The returns of the selected managers/funds are plotted relative to the floating bars.

The "Valid Count" shows the number of managers/funds that make up the selected investment universe for each given time period.

Beta is a measure of the sensitivity of each manager/fund (and benchmark index, if applicable) to market movements (as represented by the risk benchmark index specified below the table).

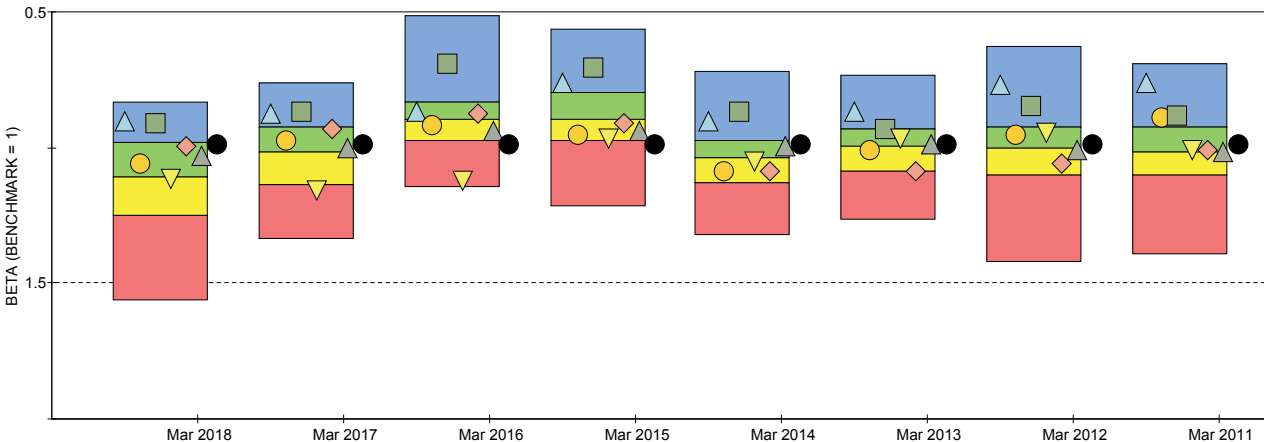
A beta of 1.0 indicates that the manager's/fund's portfolio (or benchmark index, if applicable) moved with the market. A beta less than 1.0 means that the manager's/fund's portfolio (or benchmark index, if applicable) was less volatile than the market. A beta greater than 1.0 indicates that the manager's/fund's portfolio (or benchmark index, if applicable) was more volatile than the market.

Looking at beta over rolling periods allows us to identify long-term trends.

See "Definitions of Statistical Terms Used" for more details.

3-Year Rolling Periods

PSN INTERNATIONAL GROWTH



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014	Mar 2013	Mar 2012	Mar 2011
HIGH (0.95)	0.85	0.77	0.53	0.58	0.73	0.75	0.64	0.71
FIRST QUARTILE	1.00	0.94	0.85	0.81	0.99	0.95	0.94	0.94
MEDIAN	1.13	1.03	0.91	0.91	1.05	1.01	1.02	1.03
THIRD QUARTILE	1.27	1.15	0.98	0.99	1.14	1.10	1.11	1.12
LOW (0.05)	1.58	1.35	1.16	1.23	1.33	1.28	1.43	1.40
MEAN	1.14	1.05	0.91	0.90	1.06	1.02	1.03	1.03
VALID COUNT	156	167	176	180	169	166	172	171

	Mar 2018		Mar 2017		Mar 2016		Mar 2015		Mar 2014		Mar 2013		Mar 2012		Mar 2011	
▲ Invesco Invesco Intl Growth ADR -S	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
● ClearBridge Advisors ClearBridge Intl Growth ADR -S	0.92	11	0.89	15	0.88	38	0.78	19	0.92	13	0.88	14	0.78	5	0.78	5
■ Newton Capital Management Newton International Equity -S	1.07	40	0.99	38	0.93	58	0.97	68	1.10	66	1.02	57	0.97	34	0.90	17
▼ Renaissance Investment Managem Renaissance Intl Equity	0.92	12	0.88	12	0.70	5	0.72	13	0.88	7	0.94	25	0.86	15	0.90	16
◆ Schroders Investment Mgmt Schroders Intl Alpha ADR -S	1.13	52	1.17	82	1.14	99	0.98	73	1.06	53	0.98	35	0.96	31	1.02	49
▲ MSCI AC World Index ex US Net	1.01	27	0.95	27	0.89	42	0.92	54	1.10	65	1.10	75	1.07	64	1.02	48
● MSCI EAFE Net	1.04	35	1.02	46	0.96	64	0.95	66	1.01	39	1.00	45	1.02	53	1.03	51
	1.00	26	1.00	44	1.00	81	1.00	80	1.00	32	1.00	46	1.00	43	1.00	40

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE Net

Sharpe Ratio Analysis

This page shows the annualized Sharpe ratio ranking data for three-year rolling periods ending as of the last day in each specified month.

The ranking data used in this analysis has been provided by PSN Informa Investment Solutions Inc.

The chart is used to rank the Sharpe ratio of each manager/fund (and related benchmark index) against a specified universe of investment managers/funds. (Managers are compared to a universe of managers. Funds are compared to a universe of open-end funds. However, if this report shows both managers and funds, these are compared to a universe consisting of managers and open-end funds.)

The universe includes managers/funds offered in Morgan Stanley's investment advisory programs and managers/funds that do not participate in these programs.

The ranges of returns for the selected universe are represented by floating bars. Each bar is broken up into 4 quartiles. For example, the upper quartile represents the top 25% of the managers/funds in the particular universe for that specific time period. The returns of the selected managers/funds are plotted relative to the floating bars.

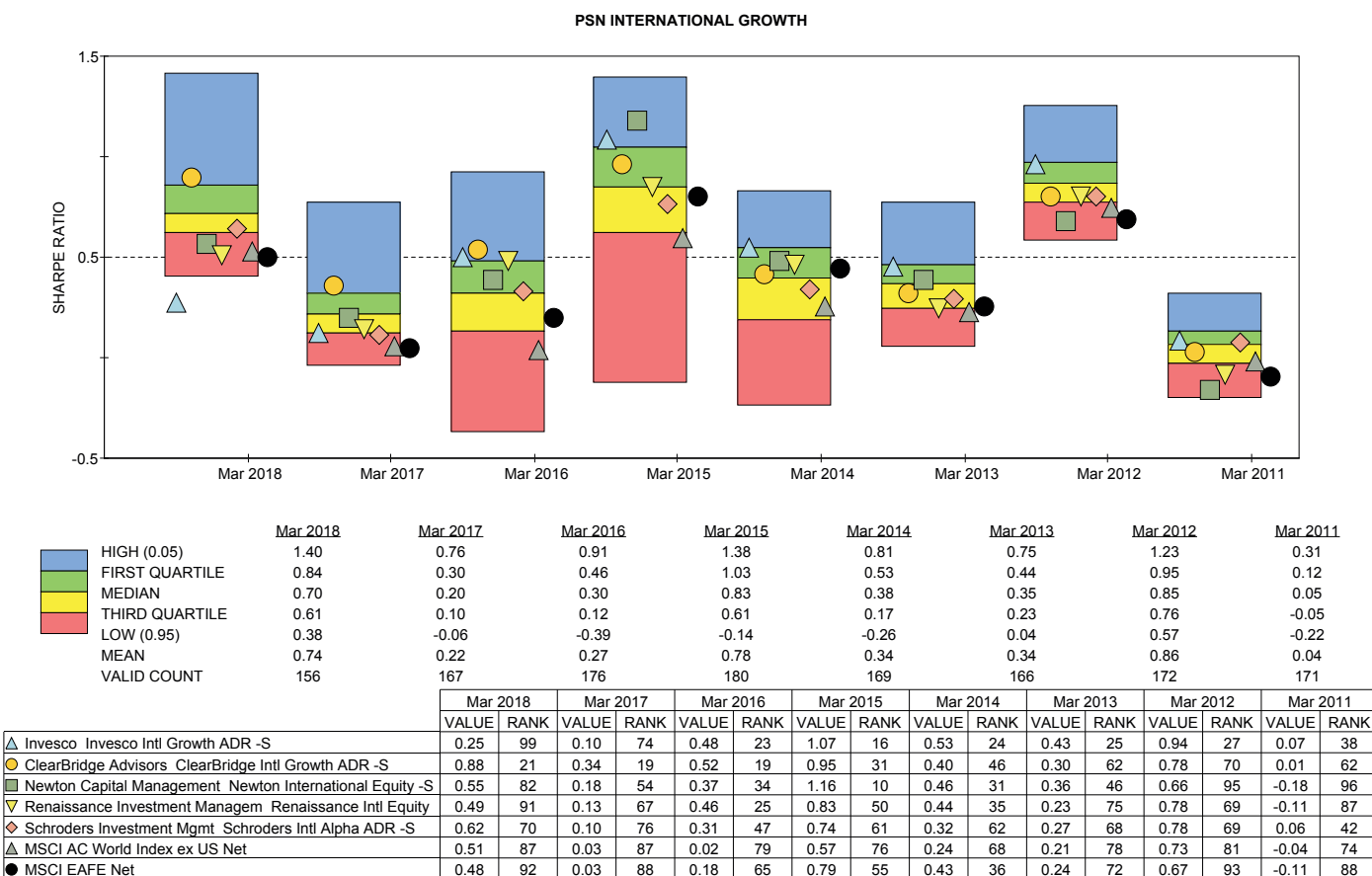
The "Valid Count" shows the number of managers/funds that make up the selected investment universe for each given time period.

The Sharpe ratio measures the efficiency, or excess return per unit of volatility, of a manager's/fund's (or benchmark index's, if applicable) returns. It evaluates a manager's/fund's (or benchmark index's, if applicable) performance on a volatility-adjusted basis. The higher the Sharpe ratio, the better.

Looking at the Sharpe ratio over rolling periods allows us to identify long-term trends.

See "Definitions of Statistical Terms Used" for more details.

3-Year Rolling Periods



RISKLESS BENCHMARK USED FOR THIS ANALYSIS: 90 Day U.S. Treasury Bill

Tracking Error Analysis

This page shows the annualized tracking error ranking data for three-year rolling periods ending as of the last day in each specified month.

The ranking data used in this analysis has been provided by PSN Informa Investment Solutions Inc.

The chart is used to rank the tracking error of each manager/fund (and related benchmark index) against a specified universe of investment managers/funds. (Managers are compared to a universe of managers. Funds are compared to a universe of open-end funds. However, if this report shows both managers and funds, these are compared to a universe consisting of managers and open-end funds.)

The universe includes managers/funds offered in Morgan Stanley's investment advisory programs and managers/funds that do not participate in these programs.

The ranges of returns for the selected universe are represented by floating bars. Each bar is broken up into 4 quartiles. For example, the upper quartile represents the top 25% of the managers/funds in the particular universe for that specific time period. The returns of the selected managers/funds are plotted relative to the floating bars.

The "Valid Count" shows the number of managers/funds that make up the selected investment universe for each given time period.

Tracking error shows how closely each manager/fund (and benchmark index, if applicable) tracked the risk benchmark specified below the table. The lower the tracking error, the closer the tracking.

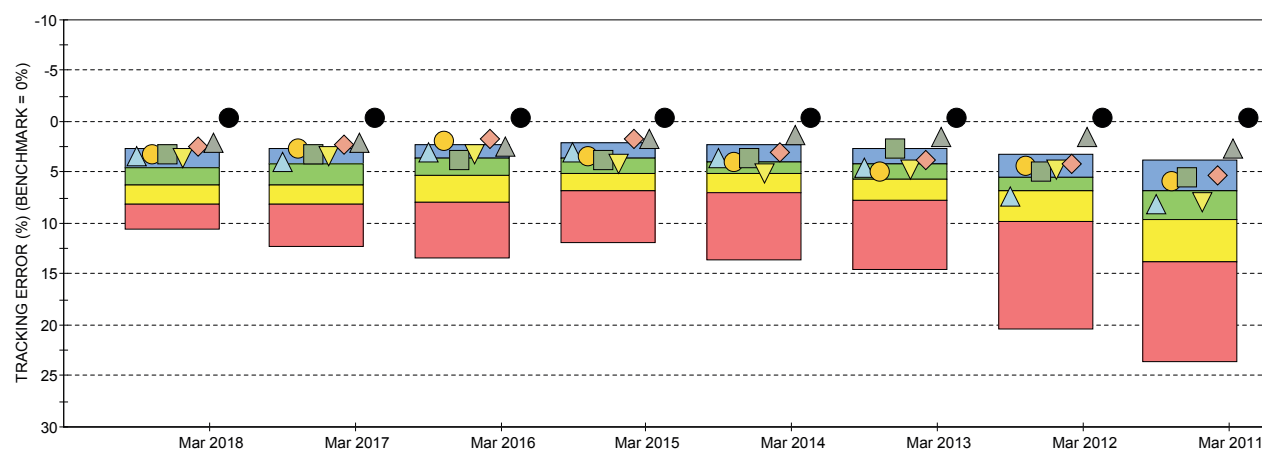
A tracking error of 0 implies that a manager/fund (and benchmark index, if applicable) has tracked the risk benchmark return used in this analysis exactly.

Looking at the tracking error over rolling periods allows us to identify long-term trends.

See "Definitions of Statistical Terms Used" for more details.

3-Year Rolling Periods

PSN INTERNATIONAL GROWTH



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014	Mar 2013	Mar 2012	Mar 2011
HIGH (0.95)	2.94	3.03	2.57	2.46	2.72	2.98	3.57	4.07
FIRST QUARTILE	4.97	4.59	4.00	3.89	4.32	4.52	5.76	7.12
MEDIAN	6.61	6.54	5.66	5.43	5.51	6.07	7.08	10.00
THIRD QUARTILE	8.53	8.55	8.37	7.21	7.35	8.07	10.13	14.08
LOW (0.05)	10.87	12.63	13.79	12.24	14.05	14.97	20.83	23.95
MEAN	6.67	6.65	6.14	5.78	6.08	6.59	8.24	10.86
VALID COUNT	156	167	176	180	169	166	172	171

	Mar 2018		Mar 2017		Mar 2016		Mar 2015		Mar 2014		Mar 2013		Mar 2012		Mar 2011	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ Invesco Invesco Intl Growth ADR -S	3.79	7	4.34	20	3.32	13	3.40	14	3.92	21	4.82	30	7.80	61	8.55	39
● ClearBridge Advisors ClearBridge Intl Growth ADR -S	3.66	7	2.99	1	2.32	1	3.72	21	4.33	26	5.21	34	4.77	14	6.30	16
■ Newton Capital Management Newton International Equity -S	3.53	6	3.62	9	4.17	31	4.15	32	4.05	21	2.97	1	5.25	19	5.84	14
▼ Renaissance Investment Managem Renaissance Intl Equity	3.98	10	3.86	14	3.49	14	4.61	39	5.39	48	5.00	32	5.17	18	8.26	35
◆ Schroders Investment Mgmt Schroders Intl Alpha ADR -S	2.82	1	2.57	1	2.14	1	2.16	1	3.42	12	4.13	19	4.55	10	5.58	12
▲ MSCI AC World Index ex US Net	2.37	1	2.53	1	2.77	3	2.00	1	1.77	1	1.87	1	1.91	1	3.01	1
● MSCI EAFE Net	0.00	1	0.00	1	0.00	1	0.00	1	0.00	1	0.00	1	0.00	1	0.00	1

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE Net

Information Ratio Analysis

This page shows the annualized information ratio ranking data for three-year rolling periods ending as of the last day in each specified month.

The ranking data used in this analysis has been provided by PSN Informa Investment Solutions Inc.

The chart is used to rank the information ratio of each manager/fund (and related benchmark index) against a specified universe of investment managers/funds. (Managers are compared to a universe of managers. Funds are compared to a universe of open-end funds. However, if this report shows both managers and funds, these are compared to a universe consisting of managers and open-end funds.)

The universe includes managers/funds offered in Morgan Stanley's investment advisory programs and managers/funds that do not participate in these programs.

The ranges of returns for the selected universe are represented by floating bars. Each bar is broken up into 4 quartiles. For example, the upper quartile represents the top 25% of the managers/funds in the particular universe for that specific time period. The returns of the selected managers/funds are plotted relative to the floating bars.

The "Valid Count" shows the number of managers/funds that make up the selected investment universe for each given time period.

The information ratio measures the consistency with which the manager/fund (or benchmark index, if applicable) beats the risk benchmark specified below the table. The higher the information ratio, the better.

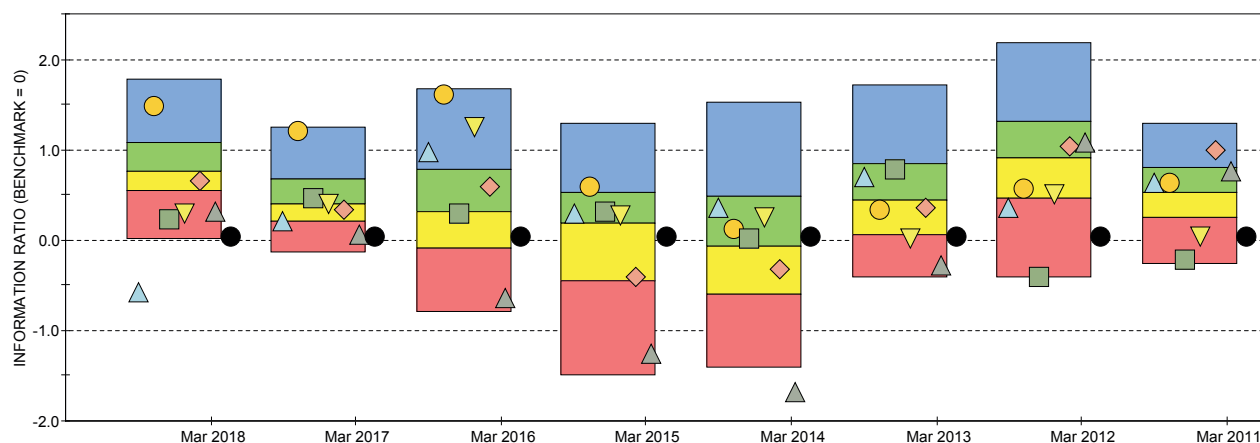
An information ratio of 0 implies that a manager/fund (or benchmark index, if applicable) has provided a return that is equivalent to the risk benchmark return used in this analysis.

Looking at the information ratio over rolling periods allows us to identify long-term trends.

See "Definitions of Statistical Terms Used" for more details.

3-Year Rolling Periods

PSN INTERNATIONAL GROWTH



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014	Mar 2013	Mar 2012	Mar 2011
HIGH (0.05)	1.74	1.20	1.63	1.24	1.47	1.67	2.15	1.26
FIRST QUARTILE	1.04	0.63	0.74	0.48	0.43	0.80	1.27	0.77
MEDIAN	0.72	0.35	0.28	0.14	-0.10	0.41	0.86	0.49
THIRD QUARTILE	0.52	0.16	-0.13	-0.49	-0.64	0.01	0.42	0.20
LOW (0.95)	-0.02	-0.17	-0.83	-1.54	-1.44	-0.44	-0.45	-0.30
MEAN	0.76	0.39	0.29	0.02	-0.11	0.45	0.84	0.49
VALID COUNT	156	167	176	180	169	166	172	171

	Mar 2018		Mar 2017		Mar 2016		Mar 2015		Mar 2014		Mar 2013		Mar 2012		Mar 2011	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ Invesco Invesco Intl Growth ADR -S	-0.63	99	0.17	73	0.92	14	0.24	39	0.31	27	0.65	34	0.32	80	0.59	42
● ClearBridge Advisors ClearBridge Intl Growth ADR -S	1.43	6	1.16	1	1.57	1	0.55	21	0.08	41	0.30	60	0.53	67	0.60	42
■ Newton Capital Management Newton International Equity -S	0.18	91	0.42	43	0.24	52	0.27	37	-0.02	47	0.74	29	-0.46	99	-0.26	99
▼ Renaissance Investment Managem Renaissance Intl Equity	0.25	87	0.35	49	1.20	7	0.23	40	0.21	31	-0.04	77	0.46	72	-0.00	85
◆ Schrodgers Investment Mgmt Schrodgers Intl Alpha ADR -S	0.61	62	0.28	59	0.56	32	-0.45	73	-0.36	63	0.32	57	1.00	41	0.95	14
▲ MSCI AC World Index ex US Net	0.27	86	0.03	86	-0.69	97	-1.31	97	-1.73	97	-0.32	94	1.04	37	0.72	28
● MSCI EAFE Net	0.00	98	0.00	87	0.00	64	0.00	58	0.00	46	0.00	75	0.00	88	0.00	85

RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE Net

R-Squared Analysis

This page shows the annualized R-squared ranking data for three-year rolling periods ending as of the last day in each specified month.

The ranking data used in this analysis has been provided by PSN Informa Investment Solutions Inc.

The chart is used to rank the R-squared of each manager/fund (and related benchmark index) against a specified universe of investment managers/funds. (Managers are compared to a universe of managers. Funds are compared to a universe of open-end funds. However, if this report shows both managers and funds, these are compared to a universe consisting of managers and open-end funds.)

The universe includes managers/funds offered in Morgan Stanley's investment advisory programs and managers/funds that do not participate in these programs.

The ranges of returns for the selected universe are represented by floating bars. Each bar is broken up into 4 quartiles. For example, the upper quartile represents the top 25% of the managers/funds in the particular universe for that specific time period. The returns of the selected managers/funds are plotted relative to the floating bars.

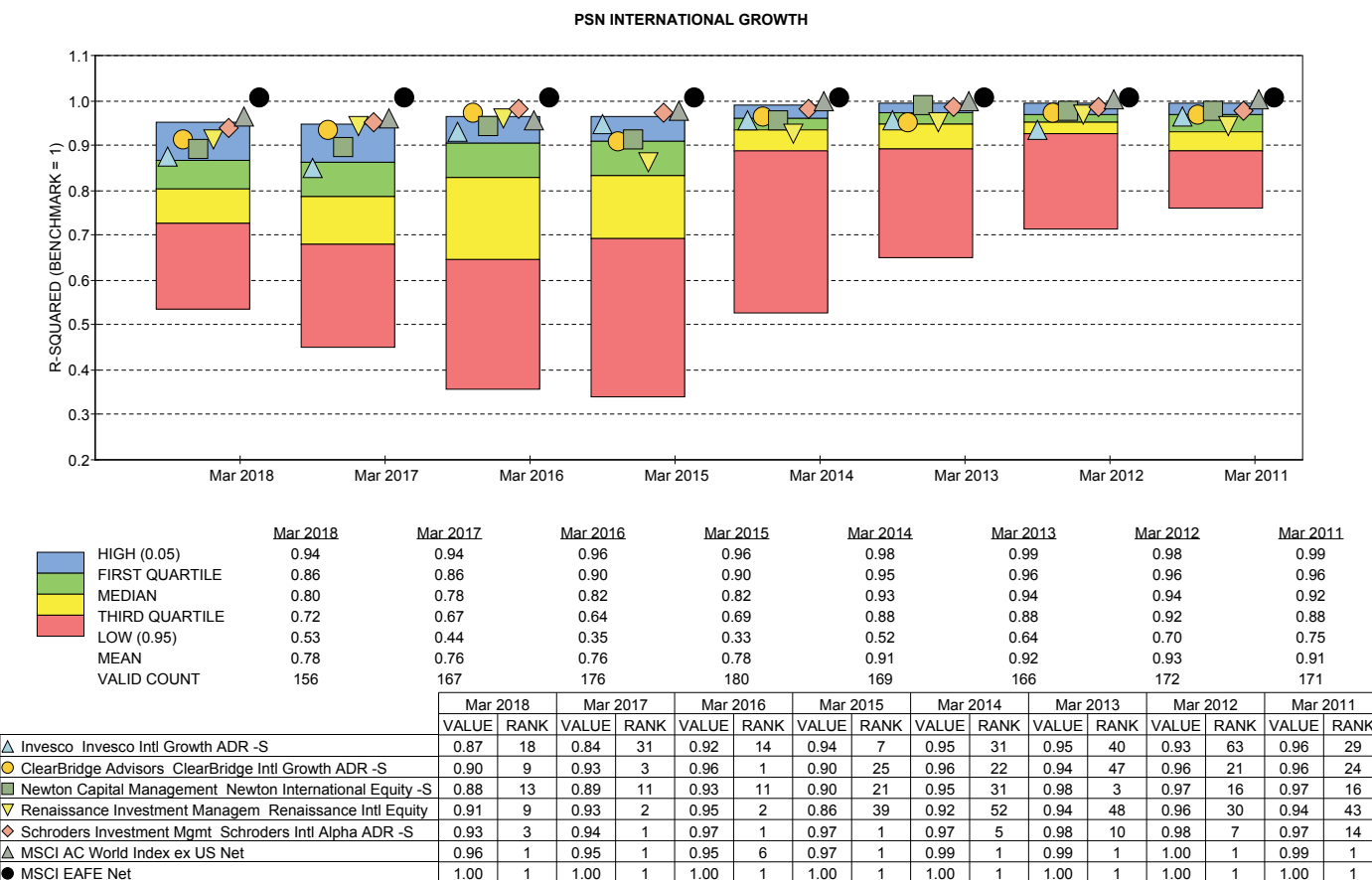
The "Valid Count" shows the number of managers/funds that make up the selected investment universe for each given time period.

The R-squared figure for any period shows how much of a manager's/fund's (or benchmark index's, if applicable) variability was accounted for by the market (as represented by the risk benchmark specified below the table) during that period. An R-squared of 0 indicates no such correlation with the market, while an R-squared of 1 indicates perfect correlation.

Looking at the R-squared over rolling periods allows us to identify long-term trends.

See "Definitions of Statistical Terms Used" for more details.

3-Year Rolling Periods



RISK BENCHMARK USED FOR THIS ANALYSIS: MSCI EAFE Net

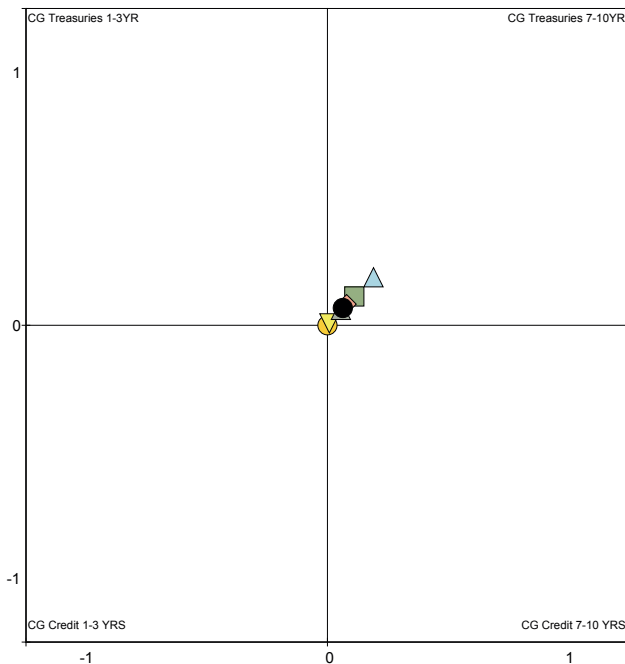
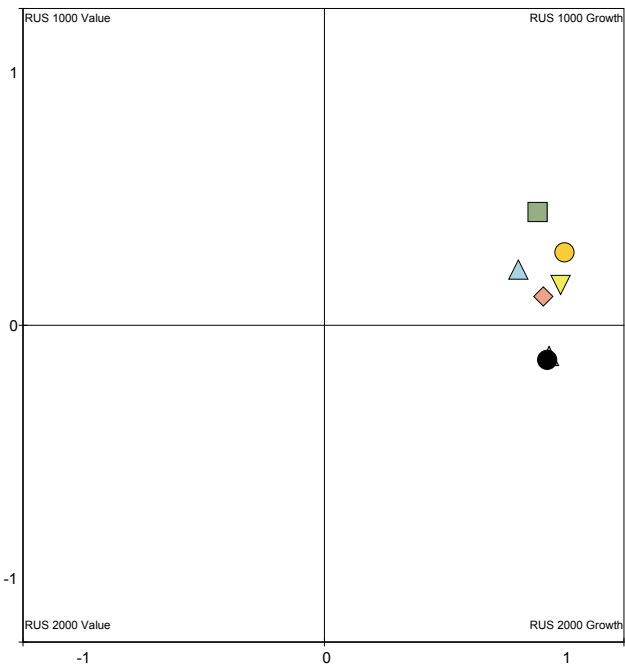
Style Analysis

Style analysis is a measure for analyzing the style of a manager's/fund's (or benchmark index's) returns when compared with the quarterly returns on a number of selected style indices. These style indices represent distinct investment styles or asset classes such as large cap value, large cap growth, small cap growth, small cap value, government bonds, or cash equivalents asset classes.

See "Definitions of Statistical Terms Used" for more details.

3-Year Style Quadrants

Period ending March 31, 2018



	STYLE VARIANCE	SELECTION VARIANCE
▲ Invesco Invesco Intl Growth ADR -S	0.79	0.21
● ClearBridge Advisors ClearBridge Intl Growth ADR -S	0.78	0.22
■ Newton Capital Management Newton International Equity -S	0.82	0.18
▼ Renaissance Investment Managem Renaissance Intl Equity -S	0.78	0.22
◆ Schroders Investment Mgmt Schroders Intl Alpha ADR -S	0.80	0.20
▲ MSCI AC World Index ex US Net	0.89	0.11
● MSCI EAFE Net	0.92	0.08

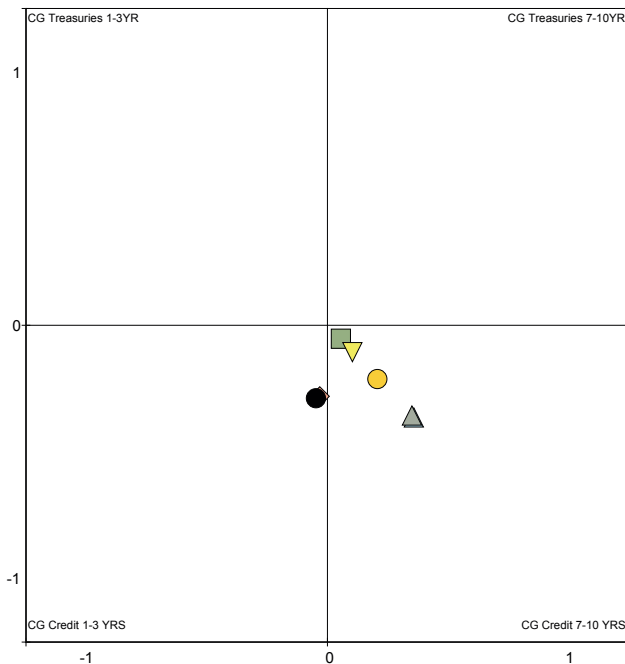
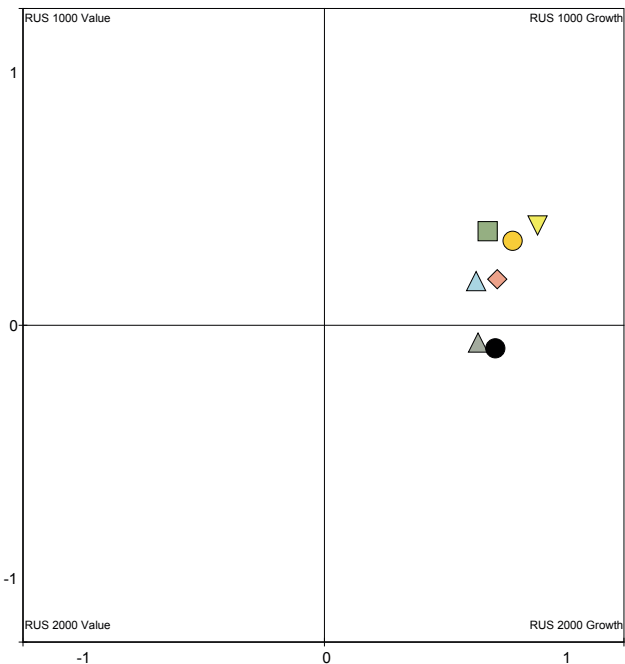
Style Analysis

Style analysis is a measure for analyzing the style of a manager's/fund's (or benchmark index's) returns when compared with the quarterly returns on a number of selected style indices. These style indices represent distinct investment styles or asset classes such as large cap value, large cap growth, small cap growth, small cap value, government bonds, or cash equivalents asset classes.

See "Definitions of Statistical Terms Used" for more details.

5-Year Style Quadrants

Period ending March 31, 2018



	STYLE VARIANCE	SELECTION VARIANCE
▲ Invesco Invesco Intl Growth ADR -S	0.68	0.32
● ClearBridge Advisors ClearBridge Intl Growth ADR -S	0.57	0.43
■ Newton Capital Management Newton International Equity -S	0.67	0.33
▼ Renaissance Investment Managem Renaissance Intl Equity -S	0.64	0.36
◆ Schroders Investment Mgmt Schroders Intl Alpha ADR -S	0.64	0.36
▲ MSCI AC World Index ex US Net	0.63	0.37
● MSCI EAFE Net	0.68	0.32

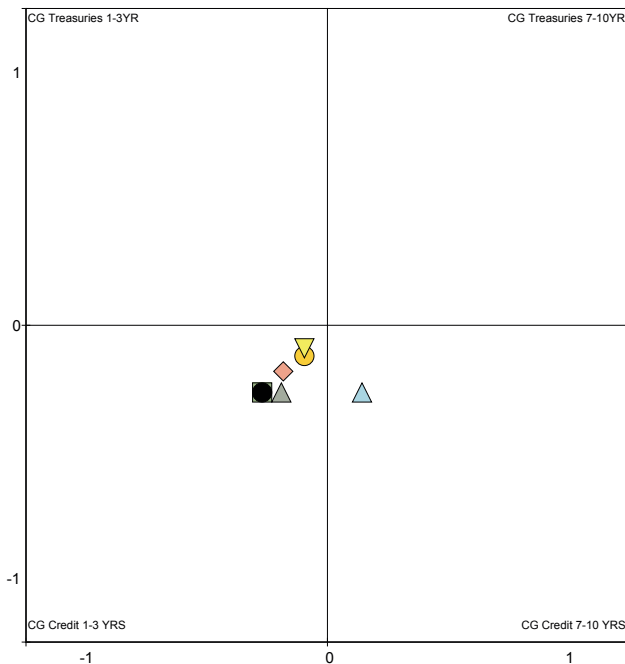
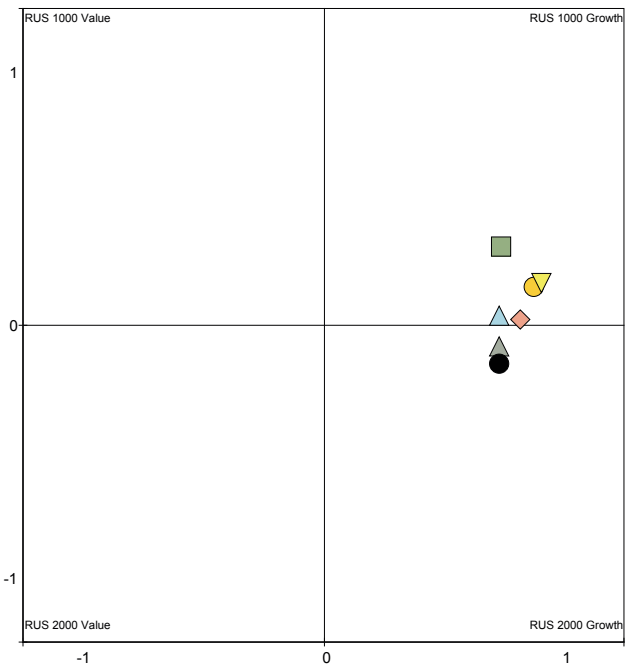
Style Analysis

Style analysis is a measure for analyzing the style of a manager's/fund's (or benchmark index's) returns when compared with the quarterly returns on a number of selected style indices. These style indices represent distinct investment styles or asset classes such as large cap value, large cap growth, small cap growth, small cap value, government bonds, or cash equivalents asset classes.

See "Definitions of Statistical Terms Used" for more details.

7-Year Style Quadrants

Period ending March 31, 2018



	STYLE VARIANCE	SELECTION VARIANCE
▲ Invesco Invesco Intl Growth ADR -S	0.79	0.21
● ClearBridge Advisors ClearBridge Intl Growth ADR -S	0.69	0.31
■ Newton Capital Management Newton International Equity -S	0.73	0.27
▼ Renaissance Investment Managem Renaissance Intl Equity -S	0.77	0.23
◆ Schroders Investment Mgmt Schroders Intl Alpha ADR -S	0.75	0.25
▲ MSCI AC World Index ex US Net	0.72	0.28
● MSCI EAFE Net	0.74	0.26

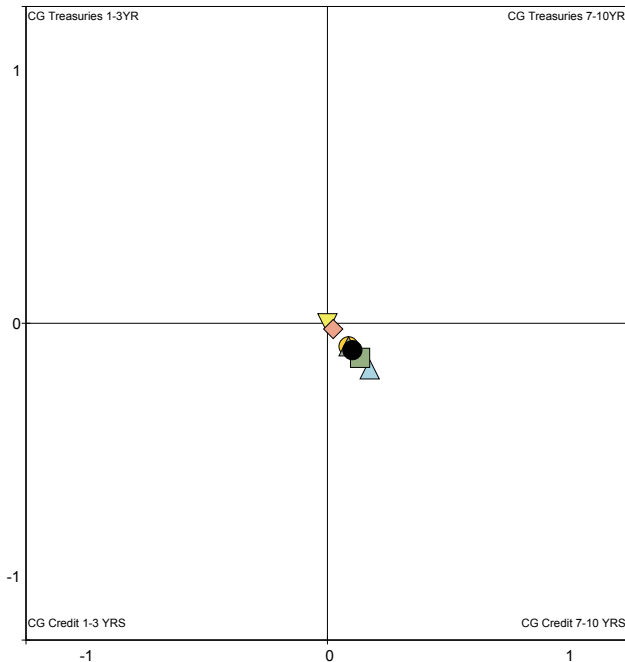
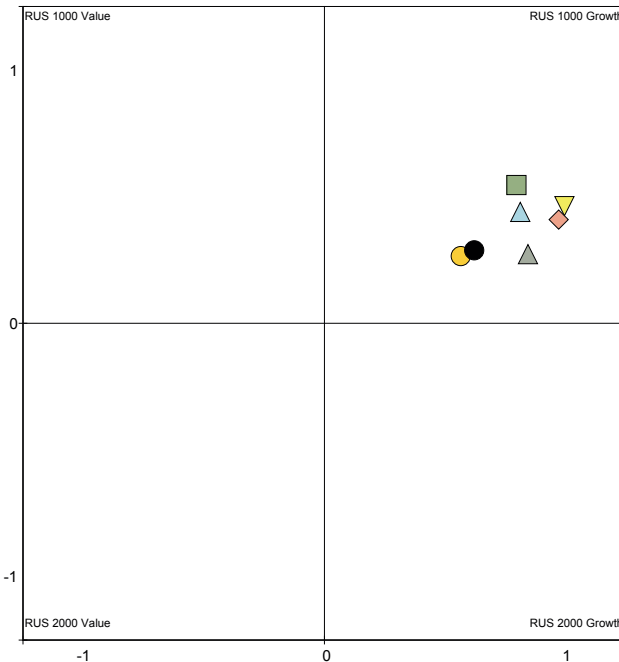
Style Analysis

Style analysis is a measure for analyzing the style of a manager's/fund's (or benchmark index's) returns when compared with the quarterly returns on a number of selected style indices. These style indices represent distinct investment styles or asset classes such as large cap value, large cap growth, small cap growth, small cap value, government bonds, or cash equivalents asset classes.

See "Definitions of Statistical Terms Used" for more details.

10-Year Style Quadrants

Period ending March 31, 2018



	STYLE VARIANCE	SELECTION VARIANCE
▲ Invesco Invesco Intl Growth ADR -S	0.90	0.10
● ClearBridge Advisors ClearBridge Intl Growth ADR -S	0.82	0.18
■ Newton Capital Management Newton International Equity -S	0.84	0.16
▼ Renaissance Investment Managem Renaissance Intl Equity -S	0.84	0.16
◆ Schroders Investment Mgmt Schroders Intl Alpha ADR -S	0.84	0.16
▲ MSCI AC World Index ex US Net	0.83	0.17
● MSCI EAFE Net	0.83	0.17

Important Notes About This Report

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. ACTUAL INDIVIDUAL ACCOUNT RESULTS WILL DIFFER FROM THE PERFORMANCE SHOWN IN THIS REPORT

INVESTMENT DECISIONS: Do not use this report as the sole basis for investment decisions. Do not select an allocation, investment disciplines or investment managers/funds based on performance alone. Consider, in addition to performance results, other relevant information about each investment manager or fund, as well as matters such as your investment objectives, risk tolerance and investment time horizon.

SOURCE OF PERFORMANCE INFORMATION FOR INVESTMENT MANAGERS AVAILABLE IN CONSULTING AND EVALUATION SERVICES, FIDUCIARY SERVICES OR SELECT UMA: Each investment manager included in this report that participates in one or more of the Consulting and Evaluation Services, Fiduciary Services or Select UMA programs ("Programs") has a track record of investing assets in the relevant investment discipline. The investment manager's gross performance track record shown in this report consists of its gross performance in either the Morgan Stanley or the Smith Barney form of the Fiduciary Services program (if that investment manager is in the Fiduciary Services program) for periods for which sufficient data is available. If the strategy or similar strategies are available in both the Morgan Stanley and Smith Barney forms of the program, this profile presents the composite for the strategy that is closest to the strategy currently offered in the Fiduciary Services program. If both strategies are equally close, the profile shows the longer of the two composites. For other periods, the gross performance track record is provided by the investment manager and consists of accounts managed by the investment manager in the same or a similar investment discipline, whether at Morgan Stanley or elsewhere (and may include institutional accounts, retail accounts and/or pooled investment vehicles such as mutual funds).

There may be differences between the performance in the different forms of the Fiduciary Services program, in different Programs, and between the performance in Programs and performance outside the Programs, due to, among other things, investment and operational differences. For example:

- Institutional accounts included in related performance may hold more securities than the Program accounts, participate in initial public offerings (IPOs) and invest directly in foreign securities (rather than in ADRs).
- Mutual funds included in related performance may hold more securities than the Program accounts, may participate in IPOs, may engage in options and futures transactions, and are subject to certain regulatory limitations.
- Performance results in Select UMA accounts could differ from that in Fiduciary Services accounts because Select UMA accounts may hold fewer securities, and have automatic rebalancing, wash sale loss and tax harvesting features.

You should read the investment manager profile accompanying this report for each investment manager. The investment manager profile gives further details on the sources of performance information for a particular investment manager, as well as other calculations of the manager's performance returns (such as performance net of fees and expenses).

SOURCE OF PERFORMANCE INFORMATION FOR GLOBAL INVESTMENT SOLUTION STRATEGIES: In the Global Investment Solutions program, dedicated portfolio managers employed by Morgan Stanley or third party subadvisors make day-to-day investment decisions for clients' accounts invested in various investment strategies. The track record shown in this report for Global Investment Solutions strategies consists of the portfolio management team's gross performance in that strategy in the Global Investment Solutions program (or a predecessor program).

SOURCE OF PERFORMANCE INFORMATION FOR OTHER INVESTMENT MANAGERS: For any investment managers shown in this report that are not available in the Consulting and Evaluation Services, Fiduciary Services or Select UMA programs, the performance data is obtained from databases maintained by parties outside Morgan Stanley. This data has been included for your information, and has not been verified by Morgan Stanley in any way. See "Sources of Information" below. The gross performance shown in this report for these managers could differ materially from their gross performance in investment advisory programs offered by firms other than Morgan Stanley. If you have invested with any such manager through another firm, we recommend that you seek information from that firm on the manager's gross and net performance in its programs.

SOURCE OF PERFORMANCE INFORMATION FOR FUNDS: For any fund shown in this report, the performance data is obtained from databases maintained by parties outside Morgan Stanley. This data has been included for your information, and has not been verified by Morgan Stanley in any way. See "Sources of Information" below.

BENCHMARK INDICES: Depending on the composition of your account and your investment objectives, the indices shown in this report may not be appropriate measures for comparison purposes and are therefore presented for illustration only. The indices used in this report may not be the same indices used for comparative purposes in the profile for each investment manager, mutual fund and/or ETF that accompanies this report. 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. Performance of selected indices may be more or less volatile than that of any investment manager/fund shown in this report. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

Important Notes About This Report

MANAGERS AND FUNDS APPROVED IN MORGAN STANLEY WEALTH MANAGEMENT PROGRAMS: Morgan Stanley Wealth Management approves certain managers and funds offered in its investment advisory programs:

- Morgan Stanley Wealth Management's Global Investment Manager Analysis ("GIMA") team approves managers and funds offered in Consulting and Evaluation Services, Fiduciary Services, Select UMA, and TRAK Fund Solution.
- Managers and funds offered in Institutional Consulting Group and Graystone Consulting programs may be approved by GIMA, approved by Morgan Stanley Wealth Management using another process, or not approved by Morgan Stanley Wealth Management.
- Morgan Stanley Wealth Management does not approve managers in the Investment Management Services consulting program.
- Managers in the Global Investment Solutions (GIS) program are not evaluated by GIMA.

If you invest in a manager or fund that is not approved by Morgan Stanley Wealth Management, you are responsible for selecting and/or retaining that manager or fund, and Morgan Stanley Wealth Management does not recommend or monitor that manager or fund. For more information on the approval process in any program, see the applicable ADV brochure, available at www.MorganStanley.com/ADV or from your Financial Advisor or Private Wealth Advisor. If you have any questions about whether or how Morgan Stanley Wealth Management has approved a manager or fund shown in this report, please ask our Financial Advisor or Private Wealth Advisor.

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REINVESTMENT: The performance results shown in this report assume that all dividend, accrued income and capital gains were reinvested.

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It is important to consider a fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the fund. A copy of the prospectus may be obtained from your Financial Advisor or Private Wealth Advisor. Please read the prospectus carefully before investing in the fund.

KEY ASSET CLASS RISK CONSIDERATIONS: Investing in securities entails risk including the risk of losing principal. There is no assurance that the investment disciplines and investment managers/funds selected will meet their intended objectives.

Commodities - Diversified: The commodities markets may fluctuate widely based on a variety of factors including 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; weather; technological change; and the price volatility of a commodity. In addition to commodity risk, commodity-linked notes may be subject to special risks, such as risk of loss of interest and principal, lack of a secondary market and risk of greater volatility that do not affect traditional equity and debt securities.

Commodities - Precious Metals: The prices of Commodities - Precious Metals tend to fluctuate widely and in an unpredictable manner, and have historically experienced extended periods of flat or declining prices. The prices of Commodities - Precious Metals 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.

Important Notes About This Report

KEY ASSET CLASS RISK CONSIDERATIONS (CONTINUED):

Investing in securities entails risk including the risk of losing principal. There is no assurance that the investment disciplines and investment managers/funds selected will meet their intended objectives.

Fixed Income: Fixed income securities are subject to certain inherent risks such as credit risk, reinvestment risk, call risk, and interest rate risk. Fixed income securities are sensitive to changes in prevailing interest rates. When interest rates rise, the value of fixed income securities generally declines. Accordingly, managers or funds that invest in fixed income securities are subject to interest rate risk and portfolio values can decline in value as interest rates rise and an investor can lose principal.

High Yield Fixed Income: As well as being subject to risks relating to fixed income generally (see "Fixed Income"), high yield or "junk" bonds are considered speculative, have significantly higher credit and default risks (including loss of principal), and may be less liquid and more volatile than investment grade bonds. Clients should only invest in high yield strategies if this is consistent with their risk tolerance, and high yield investments should comprise only a limited part of a balanced portfolio.

International/Emerging Market: International investing (including investing in particular countries or groups of countries) should be considered only one component of a complete and diversified investment program. Investing in foreign markets may entail greater risks than those normally associated with domestic markets, such as foreign political, currency, economic and market risks. In addition, the securities markets of many emerging markets are substantially smaller, less developed, less liquid and more volatile than the securities markets of the U.S. and other more developed countries. Further, a portfolio that focuses on a single country may be subject to higher volatility than one that is more diversified.

Preferred Securities: Preferred securities are generally subject to the same risks as apply to fixed income securities. (See "Fixed Income.") However, preferred securities (especially equity preferred securities) may rank below traditional forms of debt for the purposes of repayment in the event of bankruptcy. Many preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. If a preferred security is called, the investor bears the risk of reinvesting proceeds at a potentially lower return. Investors may not receive regular distributions on preferred securities. For example, dividends on equity preferred securities may only be declarable in the discretion of the issuer's board and may not be cumulative. Similarly, interest payments on certain debt preferred securities may be deferred by the issuer for periods of up to 10 years or more, in which case the investor would still have income tax liability even though payments would not have been received.

Real Estate: Real estate investments are subject to special risks, including interest rate and property value fluctuations as well as risks related to general and local conditions.

Small and Mid Cap: Investments in small-to medium-sized corporations are generally more vulnerable to financial risks and other risks than larger corporations and may involve a higher degree of price volatility than investments in the broad equity market.

Hedged and Alternatives Strategies: In most Consulting Group investment advisory programs, alternative investments are limited to US registered open-end mutual funds, separate account strategies, and ETFs that seek to pursue alternative investment strategies or returns utilizing publicly traded securities. Investment products in this category may employ 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 Investments are not suitable for all investors.

Managed Futures: Involve a high degree of risk, often involve leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

Definitions of Statistical Terms Used

ALPHA: Synonym of 'value added', linearly similar to the way beta is computed, alpha is the incremental return on a portfolio when the market is stationary. In other words, it is the extra expected return due to non-market factors. This risk-adjusted measurement takes into account both the performance of the market as a whole and the volatility of the portfolio. A positive alpha indicates that a portfolio has produced returns above the expected level at that level of risk, and vice versa for a negative alpha.

ANNUALIZED RETURN: The constant rate of return that, compounded annually, would yield the same overall return for a period of more than one year as the actual return observed for that period.

BEST AND WORST PERIOD RETURNS: The best period return for a time window is simply the maximum of the returns for that period inside this window. Similarly, the worst period return for a time window is the minimum of the returns for that period inside this window. To calculate the best one-year return for a return series, the program moves a one-year time window along the series and calculates the compound return for each of these windows. The best one-year return is the maximum of the returns thus found. Similarly, the worst one-year return is the minimum of the returns thus found. Therefore, best and worst one-year returns do not refer to calendar years.

BETA: The measure of a portfolio's risk in relation to the market (for example, the S&P 500) or to an alternative benchmark or factors. Roughly speaking, a portfolio with a beta of 1.5 will have moved, on average, 1.5 times the market return. According to asset pricing theory, beta represents the type of risk, systematic risk, which cannot be diversified away. When using beta, there are a number of issues that you need to be aware of: (1) betas may change through time; (2) betas may be different depending on the direction of the market (i.e. betas may be greater for down moves in the market rather than up moves); (3) the estimated beta will be biased if the portfolio does not frequently trade; and (4) the beta is not necessarily a complete measure of risk (you may need multiple betas). Also, note that the beta is a measure of co movement, not volatility. It is possible for a security to have a zero beta and higher volatility than the market.

CUMULATIVE RETURN: The total return on an investment over a specified time period.

DOWNSIDE CAPTURE RATIO: For each portfolio, this is calculated by (1) identifying the calendar quarters in which the portfolio's benchmark index had negative returns and then (2) for those quarters, dividing the portfolio's annualized net performance by the benchmark index's performance. For investors, the lower the downside capture ratio, the better. For example, a downside capture ratio of 90% means that the portfolio's losses were only 90% of the market's losses (as represented by the benchmark index).

EXCESS RETURN: The difference between the returns of two portfolios. Usually excess return is the difference between a portfolio's return and the return of a benchmark for that portfolio.

INFORMATION RATIO: A statistic that seeks to summarize the mean-variance properties of an active portfolio with a single number. The information ratio builds on the Markowitz mean-variance paradigm, which says that the mean and variance (or, equivalently, the mean and standard deviation) of returns are sufficient statistics for characterizing an investment portfolio.

R-SQUARED: Used to show how much of a portfolio's variability can be accounted for by the market. For example, if a portfolio's R-Squared is 0.79, then 79% of the portfolio's variability is due to market conditions. As R-Squared approaches 100%, the portfolio is more closely correlated with the market.

Definitions of Statistical Terms Used

SHARPE RATIO: Developed by William F. Sharpe, this calculation measures a ratio of return to volatility. It is useful in comparing two portfolios or stocks in terms of risk-adjusted return. The higher the Sharpe Ratio, the better the risk-adjusted return of the portfolio. It is calculated by first subtracting the risk free rate (90-Day US T-bill) from the return of the portfolio, then dividing by the standard deviation of the portfolio. Using Sharpe ratios to compare and select among investment alternatives can be difficult because the measure of risk (standard deviation) penalizes portfolios for positive upside returns as much as the undesirable downside returns.

STANDARD DEVIATION: A statistical measure of the degree to which the performance of a portfolio varies from its average performance during a specified period. The higher the standard deviation, the greater the volatility of the portfolio's performance returns relative to its average return. A portfolio's returns can be expected to fall within plus or minus one standard deviation, relative to its average return, two-thirds of the time, and fall within plus or minus two standard deviations relative to its average return, 95% of the time. For example, if a portfolio had a return of 5% and a standard deviation of 13% then, if future volatility of returns is similar to historical volatility (which may not be the case):

- About two-thirds of the time, the future returns could be expected to fall between -8% and 18% (being 5% +/- 13%)
- About 95% of the time, the future returns could be expected to fall between -21% and 31% (being 5% +/- 26%)

In performance measurement, it is generally assumed that a larger standard deviation means that great risk was taken to achieve the return.

STYLE ANALYSIS (RETURNS BASED STYLE ANALYSIS): A measure for analyzing the style of a portfolio's returns when compared with the quarterly returns on a number of selected style indices. These style indices represent distinct investment styles or asset classes such as large cap value, large cap growth, small cap growth, small cap value, government bonds, or cash equivalents asset classes. Style analysis uses a quadratic minimization procedure that minimizes the difference in quarterly return performance between each portfolio's performance and a set of portfolio weights for the style indices under consideration. Style analysis is the construction of this set of portfolio weights for the style indices such that the portfolio style or composition best mimics the actual portfolio composition of the investment being investigated. Return based style analysis determines this underlying passive portfolio or investment style so that you may compare this passive style with the stated investment style of the underlying investment.

TRACKING ERROR: A measurement that indicates the standard deviation of the difference between a selected market index and a portfolio's returns. The portfolio's returns are then compared to the index's returns to determine the amount of excess return, which produces a tracking error. A low tracking error indicates that the portfolio is tracking the selected index closely or has roughly the same returns as the index.

UPSIDE CAPTURE RATIO: For each portfolio, this is calculated by (1) identifying the calendar quarters in which the portfolio's benchmark index had positive returns and then (2) for those quarters, dividing the portfolio's annualized net performance by the benchmark index's performance. A percentage less than 100% indicates that the portfolio "captured" less performance than the benchmark index, while a percentage greater than 100% indicates the portfolio captured more performance than the benchmark index. For investors, the higher the upside capture ratio, the better. For example, if the annualized performance of an benchmark index during "up" markets (when its returns were positive) is 20.8% and the portfolio's annualized performance during the same period is 16.8%, then the portfolio's upside capture ratio is $16.8\% / 20.8\% = 80.7\%$, meaning the portfolio "captured" 80.7% of the upside performance of the index. Stated another way, the portfolio in this example performed almost 20% worse than the market during up periods.

VARIANCE: A measure of how spread out a distribution is. It is computed as the average squared deviation of each number from its mean.



CORRELATION MATRIX
03/2013 TO 03/2018

Total Return							
Description	#	1	2	3	4	5	6
Invesco Invesco Intl Growth ADR -S	1	1.0000	0.9361	0.9041	0.9175	0.9545	0.9271
Lazard Asset Mgmt LLC Lazard IntlEq Slct w/EM ADR-S	2	0.9361	1.0000	0.9278	0.9321	0.9359	0.9440
ClearBridge Advisors ClearBridge Intl Growth ADR -S	3	0.9041	0.9278	1.0000	0.9551	0.9443	0.9846
Newton Capital Management Newton International Equity -S	4	0.9175	0.9321	0.9551	1.0000	0.9238	0.9527
Renaissance Investment Managem Renaissance Intl Equity -S	5	0.9545	0.9359	0.9443	0.9238	1.0000	0.9720
Schroders Investment Mgmt Schroders Intl Alpha ADR -S	6	0.9271	0.9440	0.9846	0.9527	0.9720	1.0000

Global Investment Manager Analysis | June 15, 2017

ClearBridge International Equity ADR/International ESG Equity

Approved List Report

Summary of Opinion

- The strategy utilizes a quantitative screen coupled with fundamental analysis to find attractive investments across the growth spectrum. The investment team's focus on having a majority of the portfolio anchored by holdings with strong balance sheets should allow the strategy to defend on the downside.
- The strategy has had some investment professional turnover over the last several years and longer term returns are not indicative of the current portfolio management team.
- The ESG strategy has tended to be very similar to the underlying International Growth strategy. The difference in names between the two portfolios has historically averaged less than five names.

WILLIAM RYAN

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STRATEGY DETAILS

Investment Style:
International Equities

Sub-Style:
Growth-Oriented

Benchmark:
MSCI EAFE

GIMA Status:
Approved List

Product Type:
Separately Managed Account

<http://www.ClearBridge.com>

Strategy Mapping

MARKET SENSITIVITY	Near Benchmark
VOLATILITY	Near Benchmark
DIVIDEND YIELD	Below Benchmark
PORTFOLIO HOLDINGS	Diversified
AVG. MARKET CAP	Above Benchmark
PORTFOLIO BIASES	OW –Technology, Health Care

Strategy Description

The ClearBridge International Equity strategy tends to be a large cap, somewhat concentrated, high quality product focusing on sustainable growth potential.

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

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Strategy Snapshot

INVESTMENT CAPABILITIES	BUSINESS EVALUATION	INVESTMENT RESOURCES	PORTFOLIO CONSTRUCTION CAPABILITIES	SHORT-TERM PERFORMANCE ANALYSIS (≤ 3 YRS)	LONG-TERM PERFORMANCE ANALYSIS (> 3 YRS)
Average	Above Average	Average	Average	Above Expectations	In-Line

See Opinion Description at the end of this report.

Strategy Attributes

Positive Attributes

- Consistent implementation of investment process.
- Experienced senior portfolio managers.
- There is a high degree of overlap between the International ADR and the International ESG portfolios.

Points to Consider

- Portfolio is required to have 80% of portfolio assets in stocks found in the EAFE index while non-index holdings are limited to 20% with a maximum of 5% at market in any one stock.
- No country constraints, but maximum emerging markets weight of 10%.
- Portfolio tracking error managed to 4%-8%, and portfolio beta has historically been in the range of 0.88 to 0.95.
- The inception date for the International ESG composite was September 1st, 2009 even though there were assets in the strategy prior.
- While the portfolio has a guideline of +/- 10% the index, there are times where the portfolio may have a higher allocation, particularly to growth-orientated sectors like Health Care and Technology.

Areas of Concern

- Since a change in portfolio managers in 2013, there has had an increase in the amount of turnover which is above the historical average for the strategy, with a 3 year average turnover currently at 24%.
- While both strategies have increased their assets under management over the past few years, GIMA still has some concerns over the lower asset base.

Performance Expectations

- The investment team seeks high-quality businesses which they can invest in when they are trading at a discount. They look across the growth spectrum for holdings that are emerging (innovative new business model), secular (established business models) or structural (supply/demand imbalances). We expect the portfolio to typically exhibit downside protection and to trail in stronger rallies, especially

those driven by lower quality companies or when value-oriented companies are in favor.

Performance Opinion

- ClearBridge outperformed the index for the three-year annualized period through 3/31/2017, performing above GIMA's expectations given the level of outperformance. The strategy benefited from a large overweight position to both the Health Care and Information Technology sectors. Stock selection in the Health Care sector was particularly strong and a reason for such strong outperformance.
- The strategy has outperformed the index over longer annualized time periods. Performance was in line with expectations due to positive stock and sector positioning. Performance prior to the 4th quarter of 2013 was due to the contributions of current PM Thor Olsson and previous PM Jeff Russell.

News Summary

- 4Q2014 – Michael Testorf, CFA joined the strategy as a Portfolio Manager replacing Gibonney Huske who departed the firm.
- 3Q2013 – Effective October 1st, 2013, long time Senior Portfolio Manager Jeff Russell transitioned his co-portfolio manager responsibilities to Elisa Mazen. Ms. Mazen joined from the ClearBridge International Value team where she had been part of the portfolio management team since 2008.

Portfolio Traits

EQUITY

Range of Holdings	30-50 ADR & ESG
Maximum Position Size	The typical maximum weight allowed is 5% of portfolio assets in a single security.
Econ Sector Constraints	Typically range +/- 10% of the index relative weighting.
Country Constraints	Regional constraints of +/- 10% in the key regions of Europe, the UK, Japan and non-Japan Asia.
Emerging Mkts Constraints	Maximum emerging markets exposure is 10%
Currency Hedging	No
Tracking Error Target	4-8%
Typical Annual Turnover	20-30%
Invests in ADRs	Yes
Invests in ETFs	No
Invests in Derivatives	No
Invests in IPOs	Permitted but not typically utilized.
Liquidity Constraints	>\$500m
Maximum Cash	10%
Typical Cash Position	Tends to be fully invested but can range from 2-5%
Est. Product Capacity	N/A
Expected Benchmark Sensitivity	Low

Source: ClearBridge

Assets Under Management (\$ Millions)

YEAR	FIRM	ADR*	ESG
3/2017	\$122,965	\$722	\$112
2016	\$112,395	\$652	\$95
2015	\$107,487	\$621	\$72
2014	\$114,570	\$513	\$41
2013	\$89,954	\$530	\$30
2012	\$57,169	\$459	\$21
2011	\$52,087	\$447	\$16

Source: ClearBridge

Additional Analyst Comments

- The ESG portfolios are managed in the same manner as the International Growth product.
- The team applies affirmative screening in an attempt to identify relevant environmental, social, and governance considerations for each holding and compares management culture, programs, and corporate policies against “best in class” and monitors holdings closely.
- The research team headed by Mary Jane McQuillen actively incorporates environmental, social and governance issues into the portfolio construction process.

Ownership And Parent Company

NAME OF OWNER	PERCENT OWNED
Legg Mason	100%
PUBLICLY TRADED	TICKER SYMBOL
Yes	LM

Source: ClearBridge

Investment Capabilities Overview

Portfolio Management Team & Resources

- Elisa Mazen, Thor Olsson, Michael Testorf, CFA and Pawel Wrobkowski, CFA all act as co-portfolio managers for the strategy and are supported by the central research team at ClearBridge.
- Mary Jane McQuillen was named portfolio manager of ESG at the firm in 2009, although she has been associated with these products since 1996.

Investment Process & Portfolio Construction

- The strategy seeks to invest across the growth spectrum and will invest in companies which are emerging, secular or structural growth companies.
- Emerging – Companies that are innovative, disruptive or our new business models which have large addressable markets. Holdings have the prospect of very large growth but also a risk of failure.
- Secular – Companies that have established superior business models with long-term sustainable growth opportunities. These names tend to have a consistency in earnings and a steady compounding of returns.
- Structural – Companies that will benefit from a market change such as industry consolidation or a supply and demand imbalance.
- The key objective of the first step in the investment process is to identify Non-US stocks, from an initial universe of approximately 6,000 companies that the portfolio managers consider attractive. The portfolio managers initially consider companies with a market cap of at least \$500 million. Typically, these will be companies within the MSCI EAFE Index that have the following investment characteristics: (1) strong quality; (2) improving free cash flow generation; (3) Strong or sustainable or improving margins; (4) valuation anomalies; (5) misunderstood growth.
- The key objective of the second step of the investment process is to identify potentially undervalued non-US securities. This step consists of both fundamental analysis as well as the use of a proprietary factor model. The factor model is utilized to examine the investment universe for stocks which are attractive from quality, valuation and momentum factors. Accordingly, the portfolio managers conduct in-depth research focused on a company's financial statements as well as developing the fundamental inputs needed to model a company's future earnings power. Peer and industry comparison analysis is utilized to estimate the

fair value of each investment candidate with various valuation metrics utilized depending on which industry and sector the company is in. These generally include the following: Enterprise Value/Sales, Price/Earnings, Price/Free Cash Flow and "Cash on Cash" returns.

- The third step of the investment process is primarily focused on portfolio construction and risk management. The co-portfolio managers utilize a bottom-up process to build a diversified portfolio of securities with favorable growth and attractive risk/reward profiles. The portfolio is generally anchored by core strategic holdings of larger companies that are believed to have strong balance sheets and good management. These core holdings are complemented by tactical investments (approximately 10% to 20% of the portfolio) in smaller, less well-known companies that are believed to offer unique products or services or which have strong niche positions locally or globally.

Decision-Making

- All 4 portfolio managers must be in agreement for a security to be purchased or sold in the portfolio. Mary Jane McQuillen shares the decision-making authority with the portfolio managers for the ESG strategy.

Track Record Reliability

- The track record is considered moderate, given the consistent implementation of the process over multiple periods. Longtime co-portfolio manager Jeff Russell transitioned his responsibilities to Elisa Mazen in October of 2013.

Business Overview Structure

History / Ownership

- ClearBridge Investments was formerly known as Citigroup Asset Management (CAM). In December 2005, CAM became a wholly owned subsidiary of Legg Mason as part of a transaction between Citigroup and Legg Mason. Pursuant to this transaction, Legg Mason acquired from Citigroup substantially all of Citigroup's global asset management business, including CAM.

Legal/Compliance

- ClearBridge Investments underwent a routine examination by the SEC starting in November 2012. In April 2013, ClearBridge received a final report in which the SEC cited two items which were de minimis deficiencies.

Definitions

Sub-Styles: Subjective classifications designed to assist with manager selection and performance evaluation based on GIMA's understanding of a manager's long-term investment philosophy and portfolio structuring biases and techniques. At points in time managers may display attributes of other sub-style classifications, and these classifications may change due to changes in the capital markets, evolution of performance benchmarks, industry trends, or changes involving a manager's personnel or process.

MSCI EAFE Index - is composed of all the publicly traded stocks in developed non-U.S. Markets. The MSCI EAFE Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

Growth-Oriented: Tend to have a more growth-oriented investment philosophy and portfolio orientation often placing growth concerns above those associated with either benchmark structure or value characteristics and may exhibit more volatility than peers.

Strategy Mapping

Market Sensitivity – Represents GIMA's (Global Investment Manager Analysis) assessment of the historical market sensitivity or beta of a portfolio's return relative to the GIMA assigned benchmark. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Volatility – Represents GIMA's assessment of the historical fluctuation or standard deviation of a portfolio around its average return compared to the GIMA assigned benchmark. Unlike Market Sensitivity, which measures volatility relative to the GIMA assigned benchmark, Volatility measures the historical absolute volatility of a portfolio's return. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

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. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Portfolio Holdings – Represents GIMA's assessment of the portfolio's historical security level diversification relative to peers and the GIMA assigned benchmark. This section has three potential outcomes: **Concentrated**, **Diversified**, and **Highly Diversified**.

Avg. Market Cap – Represents GIMA's assessment of the portfolio's historical weighted average market capitalization (market price multiplied by shares outstanding) relative to the GIMA assigned benchmark. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Portfolio Biases – Represents GIMA's assessment of a portfolio's exposure tendencies in terms of sector allocation, around country/region positioning, credit quality, and other asset class specific exposures relative to peers and the GIMA assigned benchmark. This section has three potential outcomes: **UW (underweight “_____”)**, **OW (overweight “_____”)** or **No Significant Portfolio Biases**.

Strategy Snapshot

Investment Capabilities – Represents GIMA's opinion of the investment manager's investment capabilities with respect to the product under evaluation. This section covers the areas of quality of investment professionals, portfolio management, research and process execution. As these areas are not mutually exclusive, but rather interrelated, it is important to render a cohesive opinion on these areas of an organization. This section has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Business Evaluation - Represents GIMA's opinion of the state of the investment manager's overall business condition. This area reviews items such as ownership structure, trends in assets under management, legal and/or compliance issues, investment professional incentives and trading policies. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Investment Resources – Represents several important components dedicated to a strategy, such as the level and quality of investment personnel (portfolio managers, analysts, etc.), analytical tools and methodologies, and the parent firm's overall commitment to support of the strategy. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Portfolio Construction Capabilities – Represents an assessment of a manager's ability to utilize its investment resources and select securities in order to effectively build portfolios. This includes elements of diversification, risk management, sell discipline, position sizing, and turnover management. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Short-Term & Long-Term Performance Analysis – The opinion for performance is broken into two components: 1) Short-Term Performance Analysis represents GIMA's opinion of the investment product's performance typically over a time period of the trailing three years or less, 2) Long-Term Performance Analysis represents GIMA's opinion of the investment product's performance typically over a time period of more than the trailing three years. These areas have three potential opinion outcomes: **Above Expectations**, **In-Line** and **Below Expectations**.

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.

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. ADRs are typically listed on U.S. exchanges such as NYSE, AMEX and NASDAQ.

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.

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 – measures the degree to which the returns of two securities or indices are related. The range of possible correlations is between 1.0 and -1.0. Positive correlation indicates that returns tend to move in the same direction. Negative correlation indicates that returns tend to move in opposite directions. Zero correlation implies that there is no relationship between the securities' returns.

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 Historical – 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.

Historical EPS Growth – calculated by regressing over time the quarterly earnings per share for the past 20 quarters to determine the share's historical growth rate in earnings. The quarterly historical growth rate for each share is then annualized and the Historical EPS Growth shown in this report is the weighted average of these results.

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.

Long Term EPS Growth Rate – analyst consensus of expected annual increase in operating earnings per share over the company's next full business cycle – usually three to five years. The Long Term EPS Growth Rate for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

P/E - Forecast 12-Mo. – The price/earnings ratio for the stock based on the most recent closing price divided by the annual mean expected earnings for the current fiscal year (FY1 EPS forecast). P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

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.

R-Squared (R^2) – 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 R^2 is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R^2 percentages.

Return on Equity (ROE) – is another profitability ratio which gauges return on investment by measuring how effectively 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.

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.

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.

Important Disclosures

Report for Use Only in Investment Advisory Programs

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

The Global Investment Manager Analysis (GIMA) services Only Apply to Certain Investment Advisory Programs

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 Wealth Management). If you do not invest through one of these investment advisory programs, Morgan Stanley Wealth Management 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 Wealth Management. 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 Wealth Management 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 Wealth Management 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 referenced in this report.

For mutual funds, the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance information, current to the most recent month-end, please contact the fund directly at the website set out on the cover page of this report.

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.

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 investment manager, Morgan Stanley Wealth Management or a third party service provider, and may be based on a representative account or a composite of accounts.

Securities holdings

Holdings are subject to change daily, so any securities discussed in this report may or may not be included in your portfolio if you invest in this investment product. Your portfolio may also include other securities in addition to or instead of any securities discussed in this report. Do not assume that any holdings mentioned were, or will be, profitable.

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. Besides the general risk of holding securities that may decline in value, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance, and potential leverage. Some funds also invest in foreign securities, which may involve currency risk.

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.

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.

Conflicts of Interest

GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, MS&Co., managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs. Morgan Stanley Wealth Management, managers, MS&Co., and their affiliates receive compensation and fees in connection with these services. Morgan Stanley Wealth Management believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account.

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ClearBridge International Growth ADR

Benchmark: MSCI EAFE
March 31, 2018 (Q1)

Status: Approved
Analyst: William Ryan
Phone: 302-888-4260 Email: William.V.Ryan@ms.com

Trailing Returns

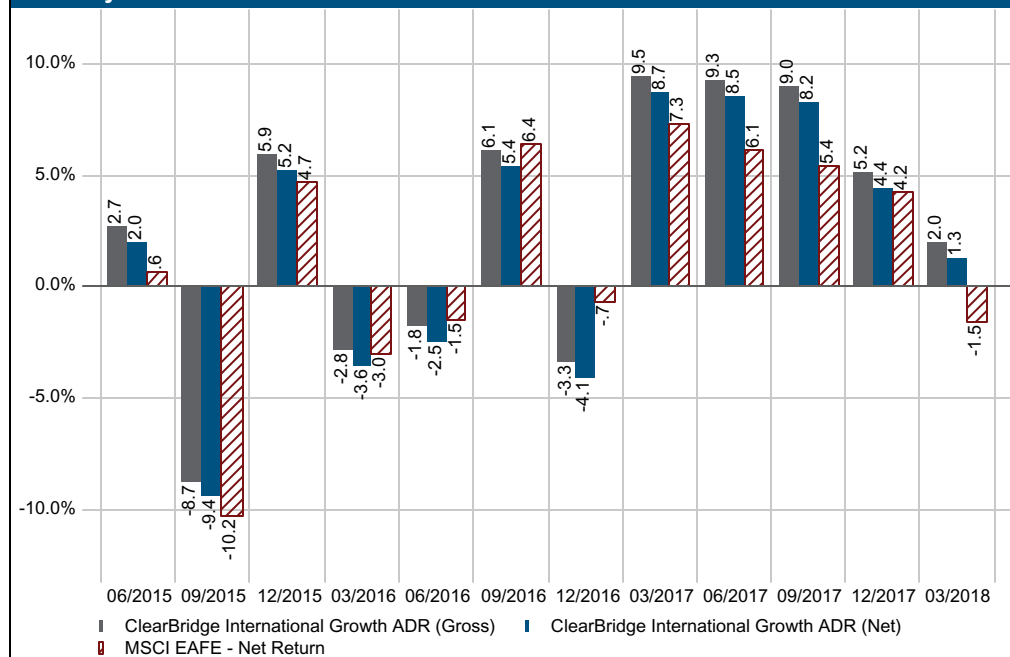
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
ClearBridge International Growth ADR (Gross)	1.97%	1.97%	27.71%	10.79%	10.82%	8.64%	6.20%	37.07%	-2.04%	6.27%	-2.17%	19.54%	23.64%
ClearBridge International Growth ADR (Net)	1.28%	1.28%	24.19%	7.68%	7.70%	5.58%	3.20%	33.29%	-4.89%	3.29%	-5.01%	16.24%	20.17%
MSCI EAFE - Net Return	-1.53%	-1.53%	14.80%	5.55%	6.50%	5.31%	2.74%	25.03%	1.00%	-0.81%	-4.90%	22.78%	17.32%
Excess Return (Gross)	3.50%	3.50%	12.90%	5.23%	4.33%	3.33%	3.47%	12.04%	-3.04%	7.08%	2.73%	-3.24%	6.33%

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.

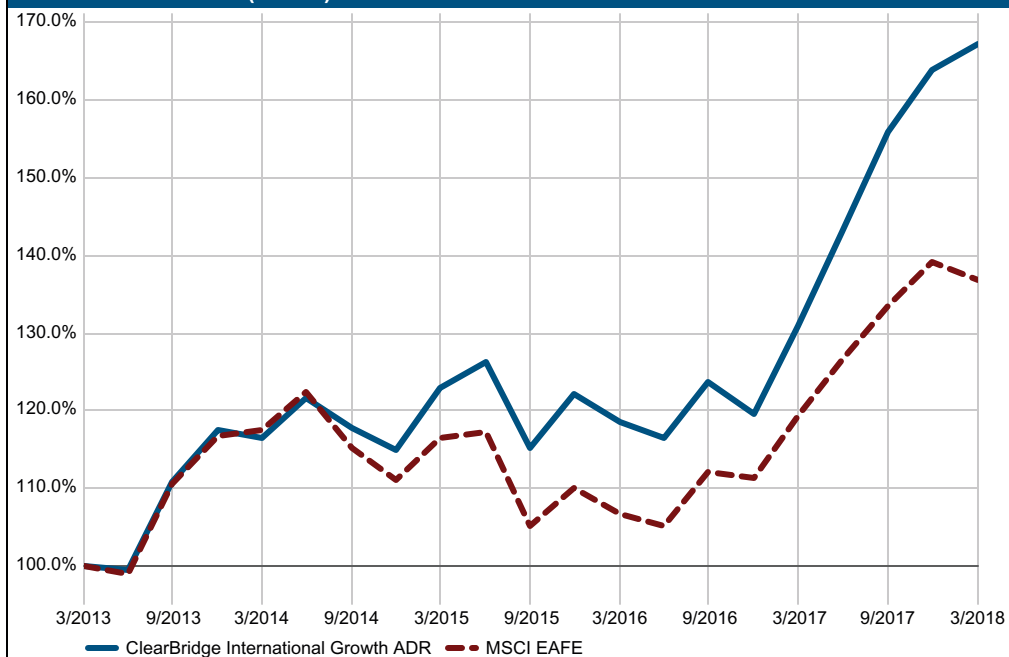
Strategy Description

The ClearBridge International Growth ADR strategy tends to be a large cap, somewhat concentrated, low turnover, high quality product focusing on sustainable growth.

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.

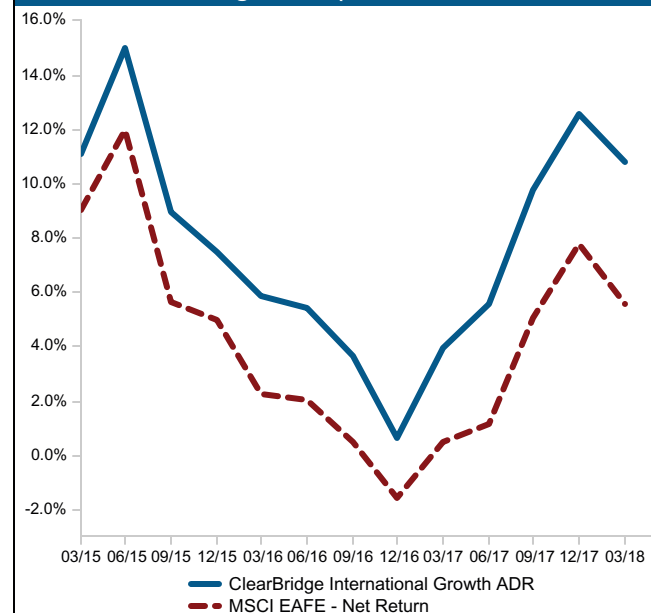
Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

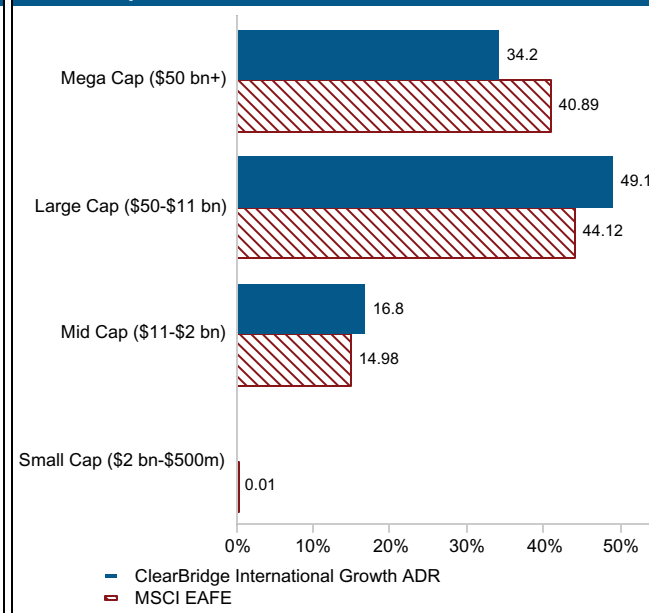
Portfolio Characteristics			Economic Sector Allocation				Regional Sector Allocation				Top 10 Holdings	
	Strategy	Bmk		Strategy	Bmk	Rel.		Strategy	Bmk	Rel.		% of Equity
# of Securities	49	927	Consumer Discretionary	8.81	12.61	-3.80	EMEA	--	0.37	-0.37	Shiseido Company,Limited Spons...	5.29
Market Cap (\$M)	55,413	50,073	Consumer Staples	18.62	11.06	7.56	Europe	52.81	62.78	-9.97	ASML Holding NV ADR	4.03
P/E - Trailing 12-Mo.	20.4	15.4	Energy	2.29	5.31	-3.02	Far East	4.01	--	4.01	Diageo plc Sponsored ADR	3.35
Adj. P/E - trailing 12-Mo.	19.2	15.1	Financials	20.28	21.05	-0.77	Latin America	2.63	--	2.63	ICON Plc	3.34
P/E - Forecast FY1*	18.8	14.1	Health Care	9.69	10.17	-0.48	North America	15.16	0.60	14.56	London Stock Exchange Group pl...	3.30
Price-to- Book	3.2	1.6	Industrials	14.80	14.60	0.20	Pacific	25.39	36.25	-10.86	Nestle S.A. Sponsored ADR	3.28
Dividend Yield	1.33	3.16	Information Technology	17.48	6.57	10.91	Total	100.00	100.00		Erste Group Bank AG Sponsored...	3.12
Return on Equity	21.3	14.5	Materials	8.03	8.01	0.03	Developed	93.36	99.63	-6.28	Rentokil Initial plc Sponsored...	3.06
EPS Growth - Forecast*	12.8	11.7	Real Estate	--	3.53	-3.53	Emerging	6.64	0.37	6.28	FANUC CORPORATION Un-sponsored...	2.84
EPS Growth - Hist. 5 Year	15.0	7.6	Telecommunication Services	--	3.83	-3.83					SAP SE Sponsored ADR	2.78
Active Share	90.7	--	Utilities	--	3.27	-3.27					Total	34.39

*Forecasts based on analysts' consensus

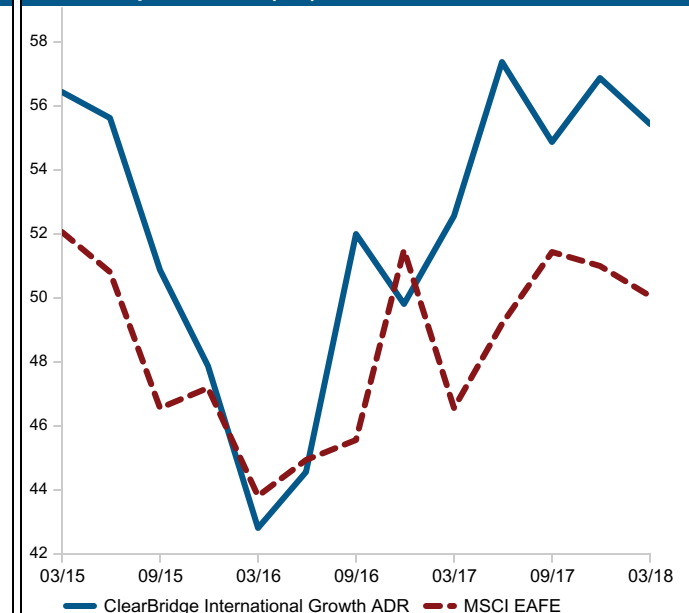
Performance Rolling 3-Year (Annualized - Gross of Fees)



Market Capitalization Distribution



Market Capitalization (\$M)



Portfolio Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-3.80	-0.05	-0.31	-0.36
Consumer Staples	7.56	-0.05	1.56	1.51
Energy	-3.02	0.01	-0.07	-0.06
Financials	-0.77	-0.02	1.48	1.46
Health Care	-0.48	-0.02	-0.06	-0.08
Industrials	0.20	0.01	0.34	0.35
Information Technology	10.91	0.32	-0.05	0.27
Materials	0.03	-0.00	0.12	0.11
Real Estate	-3.53	-0.00	--	0.00
Telecommunication Services	-3.83	0.09	--	0.09
Utilities	-3.27	-0.10	--	-0.10
Total	--	0.20	3.01	3.20

Regional Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-0.37	0.01	--	0.01
Europe	-9.97	0.05	1.40	1.45
Far East	4.01	0.11	--	0.11
Latin America	2.63	-0.09	--	-0.09
North America	14.56	-0.01	-0.46	-0.46
Pacific	-10.86	-0.10	2.28	2.18
Total	--	-0.03	3.23	3.20

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	-3.80	-0.05	-0.31	-0.36
Consumer Staples	7.56	-0.05	1.56	1.51
Energy	-3.02	0.01	-0.07	-0.06
Financials	-0.77	-0.02	1.48	1.46
Health Care	-0.48	-0.02	-0.06	-0.08
Industrials	0.20	0.01	0.34	0.35
Information Technology	10.91	0.32	-0.05	0.27
Materials	0.03	-0.00	0.12	0.11
Real Estate	-3.53	-0.00	--	-0.00
Telecommunication Services	-3.83	0.09	--	0.09
Utilities	-3.27	-0.10	--	-0.10
Total	--	0.20	3.01	3.20

Regional Attribution - Year to Date

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-0.37	0.01	--	0.01
Europe	-9.97	0.05	1.40	1.45
Far East	4.01	0.11	--	0.11
Latin America	2.63	-0.09	--	-0.09
North America	14.56	-0.01	-0.46	-0.46
Pacific	-10.86	-0.10	2.28	2.18
Total	--	-0.03	3.23	3.20

Top Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Shiseido Company,Limited...	5.06	1.45	Japan	18.42	2.05
ASML Holding NV ADR	3.95	0.49	Ireland	4.40	0.45
Erste Group Bank AG Spons...	3.04	0.41	Austria	3.04	0.41
London Stock Exchange Gro...	3.09	0.35	Netherlands	6.00	0.33
Ryanair Holdings Plc Spon...	1.18	0.25	Belgium	3.50	0.22

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Shiseido Company,Limited...	5.06	1.45	Japan	18.42	2.05
ASML Holding NV ADR	3.95	0.49	Ireland	4.40	0.45
Erste Group Bank AG Spons...	3.04	0.41	Austria	3.04	0.41
London Stock Exchange Gro...	3.09	0.35	Netherlands	6.00	0.33
Ryanair Holdings Plc Spon...	1.18	0.25	Belgium	3.50	0.22

Bottom Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Adient plc	1.13	-0.43	United States	6.58	-0.58
Rentokil Initial plc Spon...	2.97	-0.37	Switzerland	7.64	-0.47
Nestle S.A. Sponsored ADR	3.33	-0.28	France	3.63	-0.20
Diageo plc Sponsored ADR	3.42	-0.21	Chile	1.00	-0.18
Covestro AG Sponsored ADR	0.85	-0.20	Canada	4.69	-0.17

Year to Date

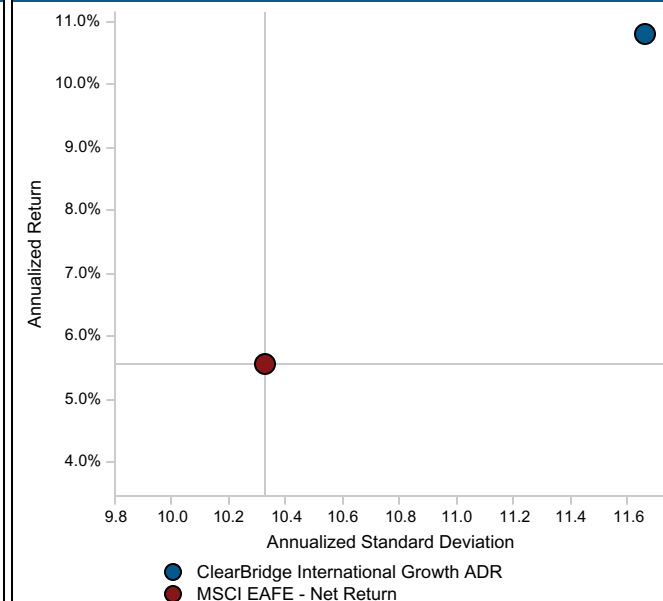
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Adient plc	1.13	-0.43	United States	6.58	-0.58
Rentokil Initial plc Spon...	2.97	-0.37	Switzerland	7.64	-0.47
Nestle S.A. Sponsored ADR	3.33	-0.28	France	3.63	-0.20
Diageo plc Sponsored ADR	3.42	-0.21	Chile	1.00	-0.18
Covestro AG Sponsored ADR	0.85	-0.20	Canada	4.69	-0.17

Portfolio Performance and Risk Statistics (Gross of Fees)

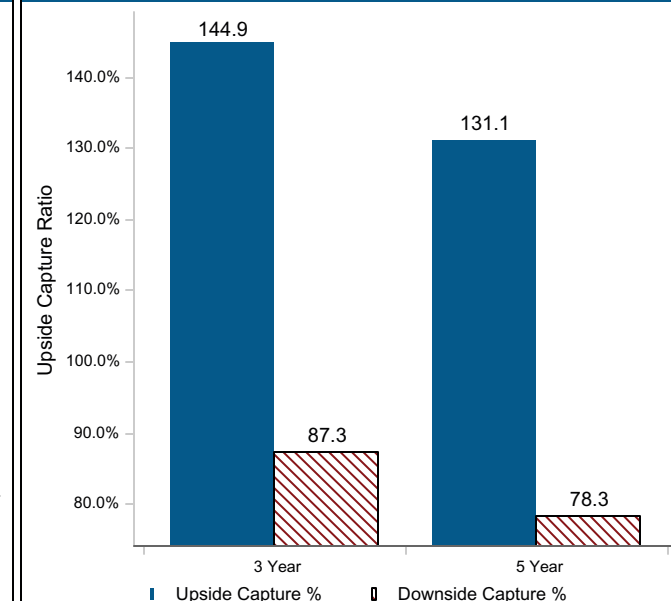
Risk Statistics vs. Benchmark

	3-Year	5-Year
Alpha	4.7%	4.2%
Beta	1.1	1.0
R2	90.6%	91.1%
Tracking Error	3.7%	3.3%
Information Ratio	1.5	1.4
Batting Average	75.0%	75.0%
Up Capture Ratio	144.9%	131.1%
Down Capture Ratio	87.3%	78.3%
Standard Deviation	11.7	10.9
Standard Deviation (Bmk)	10.3	10.4
Sharpe Ratio	0.9	1.0

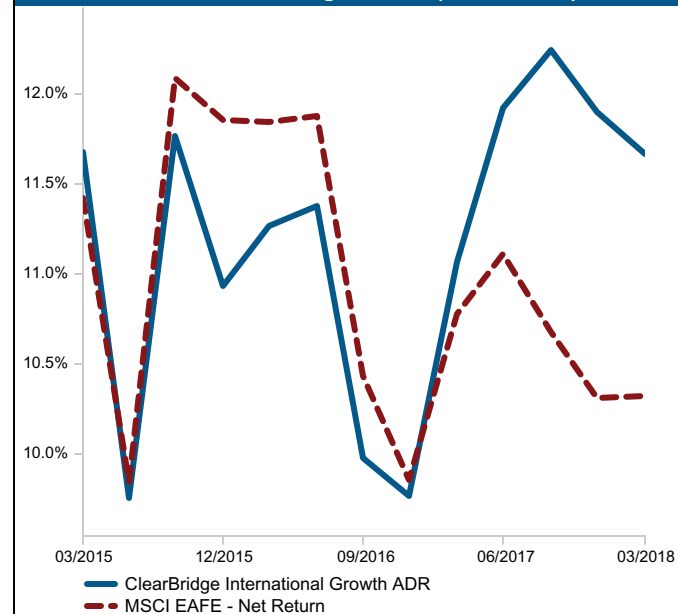
Risk-Reward - 3 Year (Annualized)



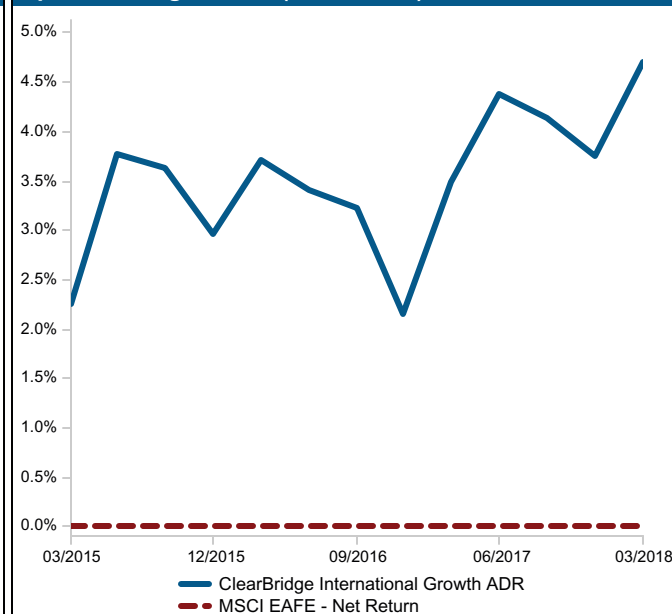
Up/Down Capture Ratio vs. the Benchmark



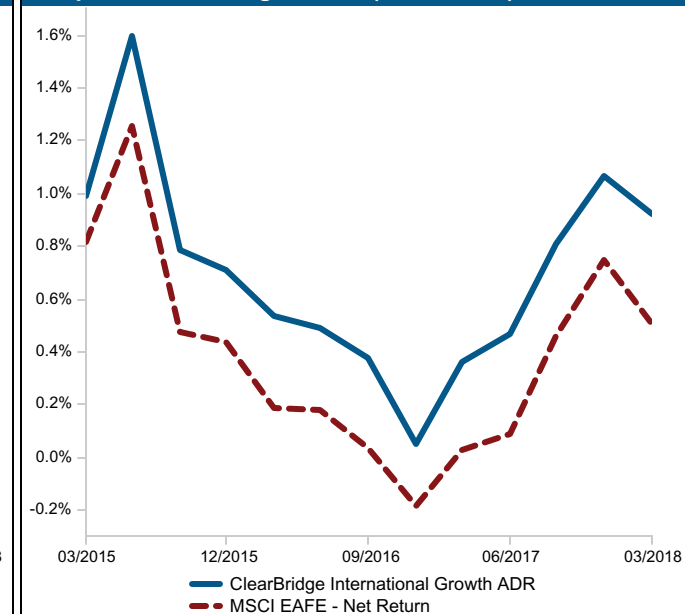
Standard Deviation - Rolling - 3 Year (Annualized)



Alpha - Rolling - 3 Year (Annualized)



Sharpe Ratio - Rolling - 3 Year (Annualized)



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 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

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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 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.

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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Newton Capital Management International Equity

Focus List Report

Summary of Opinion

- Global Investment Manager Analysis (GIMA) has placed the Newton International Equity portfolio and fund on the Focus List due to GIMA's high opinion of this strategy.
- GIMA considers Newton's team of investment professionals to be above average. GIMA believes that this knowledge and perceived experience in the analysts' respective areas of coverage is instrumental to the International Equity team's success.
- The portfolio managers seek undervalued companies irrespective of style. The style of the portfolios can shift from growth to value; however, the portfolios have maintained a mix between the two styles over time. GIMA believes that due to the portfolios' flexibility the portfolio managers have the capability of adding value over a market cycle.

Strategy Mapping

MARKET SENSITIVITY	Below Benchmark
VOLATILITY	Below Benchmark
DISTRIBUTION RATE	Below Benchmark
PORTFOLIO HOLDINGS	Highly Diversified
AVG. MARKET CAP	Above Benchmark
PORTFOLIO BIASES	OW to Consumer Staples

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STRATEGY DETAILS

Investment Style:
International Equities

Sub-Style:
Blend

Benchmark:
MSCI AC World x USA

GIMA Status:
Focus List

Product Type:
Separately Managed Account & Mutual Fund

Ticker Symbol:
SNIEX (TRAK FS, UMA)

www.newton.co.uk

Strategy Description

The strategy utilizes a bottom-up stock picking approach based upon themes that represent large-scale changes with an impact upon sectors/industries throughout the globe. The team seeks to invest in companies that are attractively valued, well-managed and have a competitive advantage within their respective sectors.

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

Before investing, consider the fund's investment objectives, risks, charges and expenses. Contact your Financial Advisor for a prospectus containing this and other information about the fund. Read it carefully before investing. More information regarding the fees, expenses and performance (but not including the Morgan Stanley Wealth Management program fee) is available at the website noted above.

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

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Strategy Snapshot

INVESTMENT CAPABILITIES	BUSINESS EVALUATION	INVESTMENT RESOURCES	PORTFOLIO CONSTRUCTION CAPABILITIES	HIGH ADVERSE ACTIVE ALPHA	SHORT-TERM PERFORMANCE ANALYSIS (≤ 3 YRS)	LONG-TERM PERFORMANCE ANALYSIS (> 3 YRS)
Above Average	Above Average	Above Average	Above Average	Yes	In-Line	Above Expectations

See Strategy Snapshot description at the end of this report.

Strategy Attributes

Positive Attributes

- Global themes are incorporated into the stock recommendations but do not drive asset allocation at the portfolio level.
- Each analyst looks for quality companies with attractive valuations.
- Newton's global investment approach concentrates on finding companies with good products and strong management teams that appear to be attractively priced.
- A strategy group draws on the experience of all Newton analysts and managers to provide an economic and strategic backdrop to the stock selection process, including investment themes.

Points to Consider

- There are no parameters or constraints around country or sector weightings. Sector and regional allocations are a product of stock selection.
- The ADR portfolio can invest in F-shares, which has enabled the strategy to have a larger opportunity set in which to invest. That said, the team will substitute those F-shares without US ticker symbols with an ETF from the desired company's country of incorporation.
- The fund has the ability to hedge its currency exposure, and as of 6/30/17, there was a hedge from Japanese Yen into Australian Dollars, and another from UK Sterling into Euros.

Areas of Concern

- There has been some turnover of the investment professionals at the firm over the last few years. GIMA will continue to monitor any changes to the current team.

Performance Expectations

- GIMA expects the portfolios to participate in growth-oriented and value-oriented markets given Newton's Blend investment style. However, GIMA expects them to lag when aggressive growth or deep value stocks dominate the international markets.

Performance Opinion

- Overall, shorter-term performance is in line with GIMA's expectations for the three-year annualized period ending 6/30/17. GIMA acknowledges that the noteworthy underperformance of 2016 has detracted from the three-year annualized performance, due to weaker stock selection and negative sector positioning. That said, the portfolio has outperformed in two out of the past three calendar years.
- Longer-term performance is above GIMA's expectations. While weak relative returns in calendar year 2009 hurt performance, the past five years in particular have been relatively strong for the strategy. In fact, the portfolio has outperformed the index in four out of the past five calendar years. Given the strategy's flexible investment process and Blend investment style, overall, GIMA expects the portfolio to be able to outperform in varying market environments.

News Summary

- August 10, 2017 – Curt Custard was appointed as CIO of Newton, and will assume responsibility for oversight of the investment team; he will oversee all aspects of the investment process, from research to portfolio management and trading. That said, Mr. Custard will not be involved in day-to-day decision making, and will not provide a top-down view to be followed by the portfolio managers.
- April 2017 – Duncan Bulgin is promoted to Head of Research, while Roger Wilkenson, the former Co-Head of Research, departs the firm.
- March 2017 – Sandra Carlisle, the former Responsible Investing Team Leader departs the firm. Concurrently, Rob Stewart is promoted to the role.
- January 1, 2017 – Susan Noble was appointed Chair of the Board of Directors and Helena Morrissey has stepped down from the board. Ms. Noble was previously a non-executive director at Newton and has two decades of experience in the industry.
- Q4 2016 – Demetri Goredetsky, an analyst on the Global Research team covering EM and Asian securities, left Newton to begin MBA coursework.

Portfolio Traits

EQUITY

Range of Holdings	60-80 ADR; 70-90 Fund
Maximum Position Size	10%, but typically not more than 5%
Econ Sector Constraints	None
Country Constraints	None
Emerging Mkts Constraints	20%
Currency Hedging	Yes, in the fund
Tracking Error Target	2-6%
Typical Annual Turnover	50-100%
Invests in ADRs	Yes
Invests in ETFs	Yes, typically in ADR portfolio
Invests in Derivatives	No
Invests in IPOs	Yes, in the fund
Liquidity Constraints	None
Maximum Cash	Typically 5%
Typical Cash Position	2-3%
Est. Product Capacity	Not stated
Expected Benchmark Sensitivity	

Source: Newton Capital Management

Ownership And Parent Company

NAME OF OWNER	PERCENT OWNED
Bank of New York Mellon	100%
PUBLICLY TRADED	TICKER SYMBOL
Yes	BK

Source: Newton Capital Management

Assets Under Management (\$ Millions)

YEAR	FIRM	SMA	FUND
2Q 2017	\$71,647	\$440	\$1,066
2016	\$65,680	\$320	\$957
2015	\$69,249	\$407	\$1,045
2014	\$78,982	\$343	\$752
2013	\$85,592	\$373	\$578
2012	\$80,672	\$309	\$442
2011	\$870,872	\$315	\$439

Source: Newton Capital Management

Additional Analyst Comments

- **Investment Philosophy:** Newton's investment philosophy is structured around the central tenet that "No company, market or economy, can be considered in isolation. Each must be understood in a global context."
- **Investment Process:** Newton's Strategy Group provides an economic and thematic backdrop. All of the members of the investment team encouraged to contribute to the idea generation process.
- **Investment Process:** Newton's portfolios are constructed on a seamless single-portfolio approach. They choose holdings based on conviction. When constructing a portfolio, risk management is integral to the portfolio manager's role. The portfolio manager is conscious of the benchmark composition and tolerance of risk and will attempt to size holdings that are consistent and appropriate for each portfolio.
- **Research:** The research output from the global analysts is supplemented and prioritized by the regional and global portfolio managers. According to the firm, it is the interaction between these professionals in these different and complementary roles that is important to achieving the optimum output from Newton's research. The firm employs a "twinning" system, where a global analyst is twinned with a portfolio manager to promote interaction and ensure that ideas and issues are discussed and voiced across the firm.
- **Implementation:** When implementing the SMA portfolio the portfolio manager will purchase a corresponding ADR and where this is not possible, will purchase ordinary shares and convert them to ADR F-shares. By doing this, the SMA portfolio has the ability to have a higher degree of overlap with the ordinary share portfolio (fund). The SMA portfolio is more concentrated than the fund.
- **Implementation:** According to Newton, F-shares are US Dollar quotes of the foreign company's ordinary share. They are referred to as F-shares because the fifth symbol of the ticker is "F". There are a limited number of F-shares that are already in existence; however Newton can create an F-share for a company where an existing F-share or ADR is not available.
- **Implementation:** The SMA portfolio may also invest in ETFs to gain additional exposure to certain countries (e.g., Japan).
- **Performance:** Performance may diverge between the SMA and the fund. This can be a result of the more concentrated nature of the SMA portfolio. The fund can also take advantage of currency hedging whereas the SMA portfolio does not.

Investment Capabilities Overview

Portfolio Management Team & Resources

- Paul Markham is the lead portfolio manager on the International Equity and Global Equity portfolios. A team approach is utilized; however, Mr. Markham is the lead decision maker on this portfolio.
- Jeff Munroe is Head of Global Equities and alternate portfolio manager for the strategy. He joined Newton in 1994 as a global equity manager, and was appointed chief investment officer in 2001.
- Yuko Takano, Emma Mogford, Robert Hay, and Terry Coles are members of the Global Equity team. Ms. Takano and Ms. Mogford work the closest with Mr. Markham, given their positions as Japan and Europe Desk specialists respectively. Mr. Hay and Mr. Coles support the global equity products as a whole.
- The departure of any, but Mr. Markham in particular, may adversely affect the opinion for this product.

Investment Process & Portfolio Construction

- The investment process begins with a strategy group that draws on the experience of all Newton analysts and managers to provide an economic and strategic backdrop to the stock selection process, including investment themes. These themes represent Newton's interpretation of the key forces that drive change across the globe, and help analysts and portfolio managers focus on, what they deem to be, interesting areas within each sector and maintain a clear, long-term perspective. The thematic framework helps the team narrow the universe of securities and focus their research.
- According to the firm, each analyst looks for good-quality companies with attractive valuations. Newton's global thematic investment approach concentrates on finding companies with good products and strong management teams that appear to be attractively priced.
- For each analyst to reach their list of recommended stocks, also known as the Research Recommended List (RRL), the analyst may apply a number of initial screens on a universe of stocks. Typical screens include future and trailing P/E ratios, EPS growth expectations, positive earnings momentum and earnings stability. Analysts also conduct extensive analysis on other valuation variables such as asset value, cash flow and cost of capital measurement. These will reflect the appropriateness to a particular industry or company.
- Responsible investment is an important aspect to the research process. Newton has four dedicated individuals, who partner

with the global research analysts, and offer an ESG Quality Review. ESG analysis must be undertaken on all stocks before being added to the RRL. That said, a low ESG score would not necessarily preclude a security from being placed on the RRL.

- Interaction between the analysts and portfolio managers is both formal and informal. The entire investment team is responsible for generating investment ideas. This fosters an environment where both analysts and portfolio managers can participate in decision-making.

Decision-Making

- Mr. Paul Markham is the ultimate decision maker, and selects securities from the RRL for inclusion into the portfolio and fund.
- According to the firm, the model group makes decisions about the composition of each model. Individual portfolio managers draw on the output from the Strategy Group, the research recommended lists, and the relevant model portfolio to assist them in their decision making when constructing portfolios.

Track Record Reliability

- The track record reliability is considered high as Mr. Markham and the other global equity team members have been with Newton for many years.

Business Overview Structure

History / Ownership

- Newton Capital Management (NCM) is a SEC-registered affiliate of the UK asset manager Newton Investment Management Limited (NIM). NIM and NCM (together "Newton") are wholly owned by The Bank of New York Mellon Corporation (BNY Mellon).
- The Dreyfus Corporation, established in 1951 and headquartered in New York City, is a leading asset management and distribution company and is a wholly owned subsidiary of The Bank of New York Mellon Corporation (NYSE: BK).

Legal/Compliance

- According to the firm, the SEC has never audited Newton Capital Management Limited (NCM). They have been visited by the Financial Conduct Authority (FCA), which is the regulator in the U.K. The FCA reviews NCM as part of the broader BNY Mellon group in the EMEA region. The firm was examined as part of the FSA's Mellon International arrow visit in October 2005. No issues relating specifically to Newton were raised as part of this visit.

Definitions

Sub-Styles: Subjective classifications designed to assist with manager selection and performance evaluation based on Global Investment Manager Analysis ("GIMA") understanding of a manager's long-term investment philosophy and portfolio structuring biases and techniques. At points in time managers may display attributes of other sub-style classifications, and these classifications may change due to changes in the capital markets, evolution of performance benchmarks, industry trends, or changes involving a manager's personnel or process.

Blend: Flexible managers that may invest in a blend of growth and value stocks at different times and in differing proportions due to a lack of a significant long-term bias in either style direction, and may have benchmark-constraints and tracking error guidelines such that performance and characteristics are similar to the respective benchmark.

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.

Strategy Mapping

Market Sensitivity – Represents GIMA's (Global Investment Manager Analysis) assessment of the historical market sensitivity or beta of a portfolio's return relative to the GIMA assigned benchmark. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Volatility – Represents GIMA's assessment of the historical fluctuation or standard deviation of a portfolio around its average return compared to the GIMA assigned benchmark. Unlike Market Sensitivity, which measures volatility relative to the GIMA assigned benchmark, Volatility measures the historical absolute volatility of a portfolio's return. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Distribution Rate – Represents GIMA's assessment of the portfolio's current and historical distribution rate compared to the GIMA assigned benchmark. Distribution rate may consist of investment income, short-term capital gains, long-term capital gains, and/or return of capital. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Portfolio Holdings – Represents GIMA's assessment of the portfolio's historical security level diversification relative to peers and the GIMA assigned benchmark. This section has three potential outcomes: **Concentrated**, **Diversified**, and **Highly Diversified**.

Avg. Market Cap – Represents GIMA's assessment of the portfolio's historical weighted average market capitalization (market price multiplied by shares outstanding) relative to the GIMA assigned benchmark. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Portfolio Biases – Represents GIMA's assessment of a portfolio's exposure tendencies in terms of sector allocation, around country/region positioning, credit quality, and other asset class specific exposures relative to peers and the GIMA assigned benchmark. This section has three potential outcomes: **UW (underweight "_____")**, **OW (overweight "_____")** or **No Significant Portfolio Biases**.

Strategy Snapshot

Investment Capabilities – Represents GIMA's opinion of the investment manager's investment capabilities with respect to the product under evaluation. This section covers the areas of quality of investment professionals, portfolio management, research and process execution. As these areas are not mutually exclusive, but rather interrelated, it is important to render a cohesive opinion on these areas of an organization. This section has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Business Evaluation – Represents GIMA's opinion of the state of the investment manager's overall business condition. This area reviews items such as ownership structure, trends in assets under management, legal and/or compliance issues, investment professional incentives and trading policies. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Investment Resources – Represents several important components dedicated to a strategy, such as the level and quality of investment personnel (portfolio managers, analysts, etc.), analytical tools and methodologies, and the parent firm's overall commitment to support of the strategy. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Portfolio Construction Capabilities – Represents an assessment of a manager's ability to utilize its investment resources and select securities in order to effectively build portfolios. This includes elements of diversification, risk management, sell discipline, position sizing, and turnover management. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

High Adverse Active Alpha* – High Adverse Active Alpha rankings are generally defined as falling into the top two quintiles (40%). Separately Managed Account and mutual fund rankings could differ. In some cases where the separately managed account product and mutual fund are substantially similar, the separately managed account rating may be applied to the mutual fund and vice versa. This area has three potential opinion outcomes: **Yes**, **No**, and **NA**.

Short-Term & Long-Term Performance Analysis – The opinion for performance is broken into two components: 1) Short-Term Performance Analysis represents GIMA's opinion of the investment product's performance typically over a time period of the trailing three years or less, 2) Long-Term Performance Analysis represents GIMA's opinion of the investment product's performance typically over a time period of more than the trailing three years. These areas have three potential opinion outcomes: **Above Expectations**, **In-Line** and **Below Expectations**.

*Global Investment Manager Analysis (GIMA) defines Adverse Active Alpha (AAA) as follows:

Adverse refers to the demonstrated ability to outperform in a variety of market environments and when conditions were difficult for active manager relative performance. "Difficult" periods were times when active management did not perform well relative to the index, as opposed to down market periods. At various times, active management has experienced difficult relative performance periods in up, down, and flat markets. We developed a set of factors to help discern which periods were more difficult for active managers that we utilize to identify managers that were able to overcome these headwinds and outperformed in the face of adversity.

Active refers to managers with portfolios that looked different from the index and had moderate to low tracking error. For equity products, we utilize active share to measure the degree of differentiation from the benchmark, while the fixed income model uses r2. By using these measures in

conjunction with tracking error, the ranking seeks to find managers that were active, but not taking outsized bets, and that had some degree of style consistency. The combination of high active share and low tracking error is fairly uncommon among active managers, but we believe these traits may point toward managers with strong stock picking skills.

Alpha refers to the demonstrated ability to add value relative to an index and/or peers. Back tests indicate that highly ranked managers as a group outperformed the index and style peer group over subsequent periods and relative to active share alone. By combining the “adverse” component with the “active” component, we believe we increase the odds of finding some of the most proficient stock pickers.

Important Considerations Regarding the Adverse Active Alpha ranking process:

In our view, the Adverse Active Alpha manager ranking model is an important part of evaluating managers for consideration. However, we do recognize that AAA cannot, in and of itself, tell us which managers’ strategies to invest in or when to buy or sell the strategies. While highly ranked managers historically performed well as a group in our analysis, past performance is not a guarantee of future results for any manager or strategy. Index returns assume reinvestment of dividends and, unlike fund or strategy returns, do not reflect any fees or expenses. Indices are unmanaged and not available for direct investment.

It is also important to keep in mind that just because a manager has high active share (top two deciles), a portfolio that looks different than the index (benchmark) doesn’t necessarily mean the portfolio had or will have better performance than the index. Being different than the index does not consider factors such as: the timeliness of data provided by the manager, the appropriateness of the benchmark used for comparison to the portfolio, the relevancy of the period(s) being analyzed between the portfolio and the benchmark, knowing the difference between the securities and their concentration in a manager’s portfolio vs. the benchmark and the potential that the data provided by the manager looked significantly different in periods before and after the performance snapshot(s) used for analysis. While the preceding considerations are not part of the AAA ranking model, GIMA’s strives to evaluate other material and forward looking factors as part of the overall manager evaluation process. Factors such as but not limited to manager turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be suitable for all investors. For more information on AAA, please see the *Adverse Active AlphaSM: Adding Value Through Manager Selection and Adding Value to Fixed Income Manager Selection With Adverse Active AlphaSM* whitepapers. The whitepapers are available from your Financial Advisor or Private Wealth Advisor.

ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

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.

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. ADRs are typically listed on U.S. exchanges such as NYSE, AMEX and NASDAQ.

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.

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 – measures the degree to which the returns of two securities or indices are related. The range of possible correlations is between 1.0 and -1.0. Positive correlation indicates that returns tend to move in the same direction. Negative correlation indicates that returns tend to move in opposite directions. Zero correlation implies that there is no relationship between the securities’ returns.

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 Historical – 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.

Historical EPS Growth - calculated by regressing over time the quarterly earnings per share for the past 20 quarters to determine the share’s historical growth rate in earnings. The quarterly historical growth rate for each share is then annualized and the Historical EPS Growth shown in this report is the weighted average of these results.

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.

Long Term EPS Growth Rate – analyst consensus of expected annual increase in operating earnings per share over the company’s next full business cycle - usually three to five years. The Long Term EPS Growth Rate for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

P/E - Forecast 12-Mo. – The price/earnings ratio for the stock based on the most recent closing price divided by the annual mean expected earnings for the current fiscal year (FY1 EPS forecast). P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

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.

R-Squared (R^2) – 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 R^2 is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R^2 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.

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.

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.

Important Disclosures

Report for Use Only in Investment Advisory Programs

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

The Global Investment Manager Analysis (GIMA) services Only Apply to Certain Investment Advisory Programs

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 Wealth Management). If you do not invest through one of these investment advisory programs, Morgan Stanley Wealth Management 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 Wealth Management. 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 Wealth Management 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 Wealth Management 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 referenced in this report.

For mutual funds, the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance information, current to the most recent month-end, please contact the fund directly at the website set out on the cover page of this report.

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.

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 investment manager, Morgan Stanley Wealth Management or a third party service provider, and may be based on a representative account or a composite of accounts.

Securities holdings

Holdings are subject to change daily, so any securities discussed in this report may or may not be included in your portfolio if you invest in this investment product. Your portfolio may also include other securities in addition to or instead of any securities discussed in this report. Do not assume that any holdings mentioned were, or will be, profitable.

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. Besides the general risk of holding securities that may decline in value, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance, and potential leverage. Some funds also invest in foreign securities, which may involve currency risk.

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.

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 and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

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.

Conflicts of Interest

GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, MS&Co., managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs. Morgan Stanley Wealth Management, managers, MS&Co., and their affiliates receive compensation and fees in connection with these services. Morgan Stanley Wealth Management believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account.

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Newton International Equity

Benchmark: MSCI All Country World Ex-United States
March 31, 2018 (Q1)

Status: Focus List

Analyst: Anita Kharwadkar

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Trailing Returns

	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
Newton International Equity (Gross)	-1.07%	-1.07%	17.53%	6.18%	6.72%	6.30%	2.93%	29.41%	-3.89%	2.61%	-1.70%	18.24%	22.34%
Newton International Equity (Net)	-1.77%	-1.77%	14.21%	3.14%	3.64%	3.25%	-0.06%	25.74%	-6.74%	-0.29%	-4.62%	14.93%	18.84%
MSCI AC World Index ex USA - Net Return	-1.18%	-1.18%	16.53%	6.18%	5.89%	4.26%	2.70%	27.19%	4.50%	-5.66%	-3.87%	15.29%	16.83%
Excess Return (Gross)	0.11%	0.11%	1.01%	0.00%	0.83%	2.04%	0.23%	2.22%	-8.39%	8.27%	2.16%	2.96%	5.51%

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.

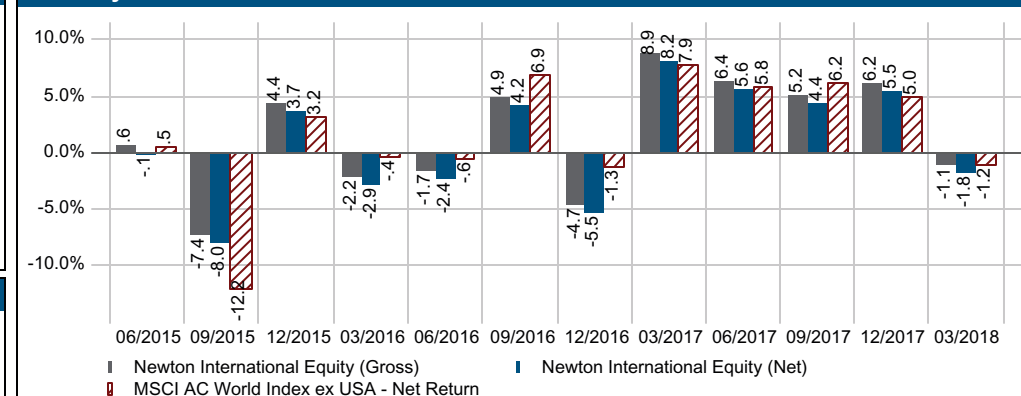
Strategy Description

The strategy utilizes a bottom-up stock picking approach based upon themes that represent large-scale changes with an impact upon sectors/industries throughout the globe. The team seeks to invest in companies that are attractively valued, well-managed and have a competitive advantage within their respective sectors.

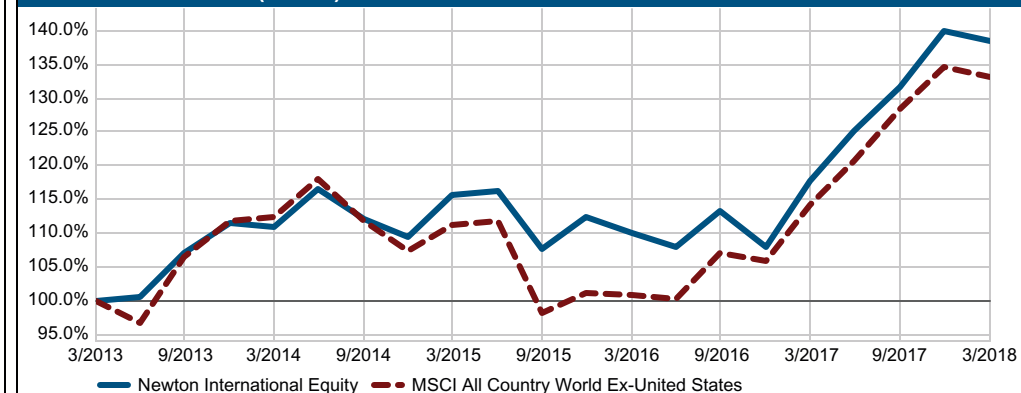
Performance Commentary

- The portfolio outperformed the MSCI All Country World Ex-United States for the quarter. Stock selection was negative and sector positioning was positive.
- The top contributing sectors were Consumer Discretionary, Industrials, and Information Technology. The top detracting sectors were Telecommunication Services, Health Care, and Consumer Staples. From an industry perspective, Household Durables, Airlines, and Multiline Retail added value, while Wireless Telecommunication Services, Tobacco, and Personal Products detracted.
- From a country perspective, Japan, Canada, and Ireland added value, while France, and China detracted.
- Within the portfolio, companies with a price/earnings greater than 20.0x contributed to returns while companies with a price/earnings less than 8.0x detracted. And finally, companies with moderate beta tended to do better than companies with high 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.

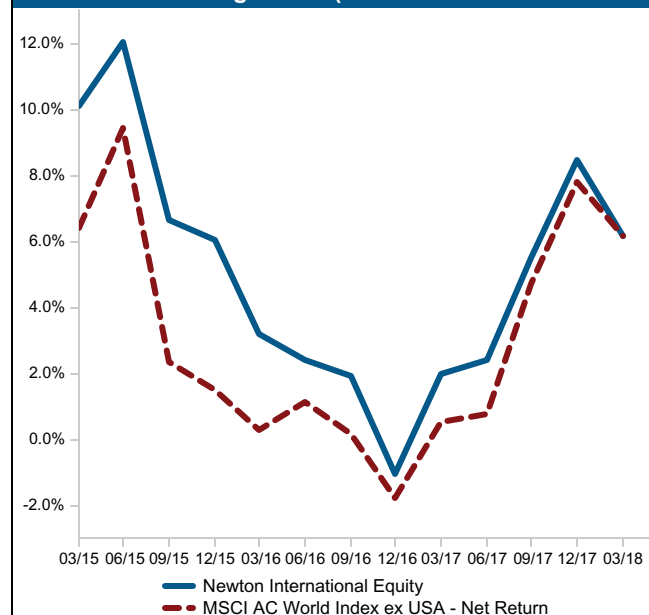
Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

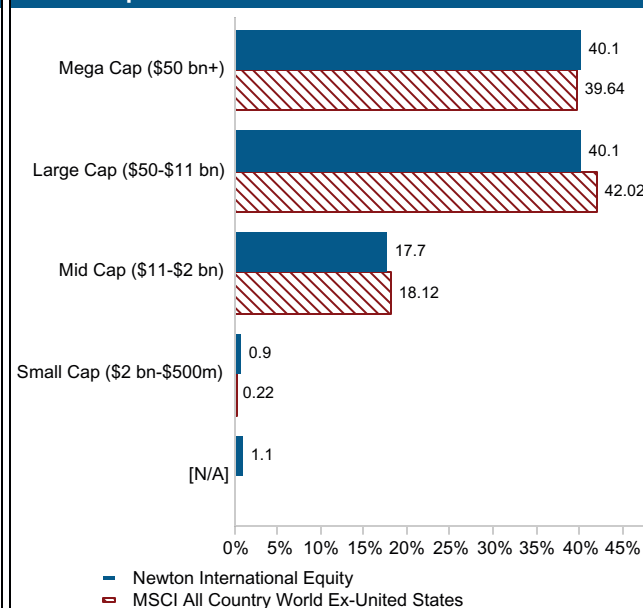
Portfolio Characteristics			Economic Sector Allocation				Regional Sector Allocation				Top 10 Holdings	
	Strategy	Bmk		Strategy	Bmk	Rel.		Strategy	Bmk	Rel.		% of Equity
# of Securities	56	1864	Consumer Discretionary	13.41	11.36	2.05	EMEA	--	3.98	-3.98	TechnoPro Holdings Inc.	4.68
Market Cap (\$M)	50,107	50,925	Consumer Staples	6.67	9.46	-2.79	Europe	57.75	42.89	14.86	iShares MSCI Japan ETF	4.50
P/E - Trailing 12-Mo.	16.1	15.1	Energy	6.08	6.71	-0.63	Far East	3.31	18.02	-14.71	Royal Bank of Scotland Group p...	3.57
Adj. P/E - trailing 12-Mo.	16.1	14.8	Financials	25.77	23.13	2.64	Frontier Markets	--	0.03	-0.03	Sony Corporation Sponsored ADR	3.34
P/E - Forecast FY1*	13.5	13.7	Health Care	8.46	7.69	0.77	Latin America	--	3.08	-3.08	Wolters Kluwer NV Sponsored AD...	2.81
Price-to- Book	1.7	1.7	Industrials	13.40	11.77	1.63	North America	5.33	7.05	-1.73	Royal Dutch Shell Plc Sponsore...	2.79
Dividend Yield	2.11	2.96	Information Technology	12.90	11.83	1.07	Pacific	32.49	24.96	7.53	Barclays PLC Sponsored ADR	2.67
Return on Equity	14.6	14.7	Materials	3.23	8.00	-4.76	[Unassigned]	1.13	--	1.13	AIA Group Limited Sponsored AD...	2.51
EPS Growth - Forecast*	19.2	13.5	Real Estate	1.69	3.18	-1.48	Total	100.00	100.00		Ferguson PLC Sponsored ADR	2.50
EPS Growth - Hist. 5 Year	6.2	9.2	Telecommunication Services	3.89	3.92	-0.03	Developed	95.56	74.90	20.67	BNP Paribas SA Sponsored ADR	2.46
Active Share	89.9	--	Utilities	--	2.96	-2.96	Emerging	3.31	25.10	-21.79	Total	31.83
			[Unassigned]	4.50	--	4.50	[Unassigned]	1.13	--	1.13		

*Forecasts based on analysts' consensus

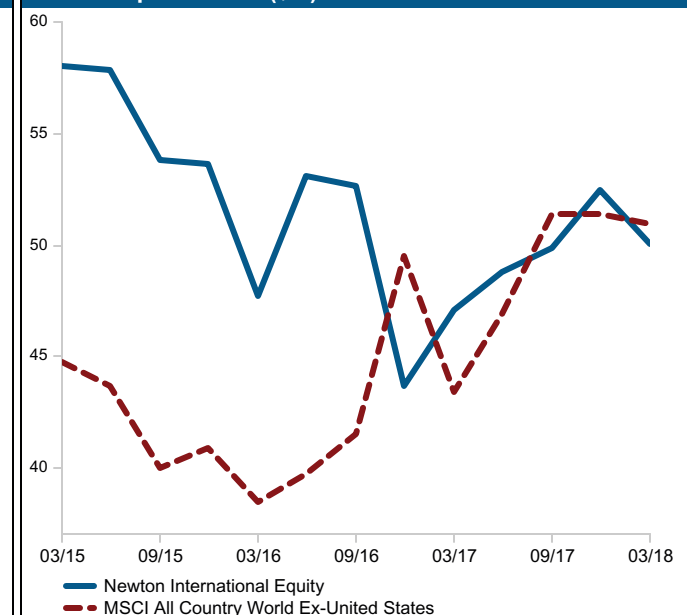
Performance Rolling 3-Year (Annualized - Gross of Fees)



Market Capitalization Distribution



Market Capitalization (\$M)



Portfolio Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	2.05	0.00	0.25	0.26
Consumer Staples	-2.79	-0.10	-0.12	-0.22
Energy	-0.63	-0.00	0.15	0.15
Financials	2.64	-0.09	-0.11	-0.20
Health Care	0.77	0.01	-0.28	-0.28
Industrials	1.63	0.00	0.24	0.25
Information Technology	1.07	0.03	0.18	0.22
Materials	-4.76	0.08	-0.01	0.06
Real Estate	-1.48	-0.01	0.01	0.01
Telecommunication Services	-0.03	-0.03	-0.26	-0.30
Utilities	-2.96	-0.08	--	-0.08
Total	--	0.16	-0.19	-0.02

Regional Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-3.98	-0.01	--	-0.01
Europe	14.86	-0.10	-0.12	-0.22
Far East	-14.71	-0.24	-0.15	-0.40
Frontier Markets	-0.03	-0.01	--	-0.01
Latin America	-3.08	-0.26	--	-0.26
North America	-1.73	0.08	0.45	0.52
Pacific	7.53	0.04	0.27	0.31
Total	--	-0.46	0.44	-0.02

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Consumer Discretionary	2.05	0.00	0.25	0.26
Consumer Staples	-2.79	-0.10	-0.12	-0.22
Energy	-0.63	-0.00	0.15	0.15
Financials	2.64	-0.09	-0.11	-0.20
Health Care	0.77	0.01	-0.28	-0.28
Industrials	1.63	0.00	0.24	0.25
Information Technology	1.07	0.03	0.18	0.22
Materials	-4.76	0.08	-0.01	0.06
Real Estate	-1.48	-0.01	0.01	0.01
Telecommunication Services	-0.03	-0.03	-0.26	-0.30
Utilities	-2.96	-0.08	--	-0.08
Total	--	0.16	-0.19	-0.02

Regional Attribution - Year to Date

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-3.98	-0.01	--	-0.01
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Frontier Markets	-0.03	-0.01	--	-0.01
Latin America	-3.08	-0.26	--	-0.26
North America	-1.73	0.08	0.45	0.52
Pacific	7.53	0.04	0.27	0.31
Total	--	-0.46	0.44	-0.02

Top Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
TechnoPro Holdings Inc.	4.31	0.44	Japan	31.98	0.34
Barclays PLC Sponsored AD...	2.27	0.21	Ireland	1.28	0.19
Ryanair Holdings Plc Spon...	1.28	0.19	United States	1.21	0.04
Sony Corporation Sponsore...	3.28	0.19	Norway	1.50	0.03
Don Quijote Holdings Co.L...	1.96	0.17	Netherlands	3.53	0.01

Year to Date

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
TechnoPro Holdings Inc.	4.31	0.44	Japan	31.98	0.34
Barclays PLC Sponsored AD...	2.27	0.21	Ireland	1.28	0.19
Ryanair Holdings Plc Spon...	1.28	0.19	United States	1.21	0.04
Sony Corporation Sponsore...	3.28	0.19	Norway	1.50	0.03
Don Quijote Holdings Co.L...	1.96	0.17	Netherlands	3.53	0.01

Bottom Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
AXA SA Sponsored ADR	1.64	-0.38	France	8.72	-0.45
Vodafone Group Plc Sponso...	2.21	-0.28	United Kingdom	19.91	-0.38
Japan Tobacco Inc.	2.28	-0.26	Switzerland	8.44	-0.36
Man Wah Holdings Limited	1.15	-0.20	Hong Kong	3.55	-0.22
Topcon Corp.	1.67	-0.19	Germany	11.24	-0.13

Year to Date

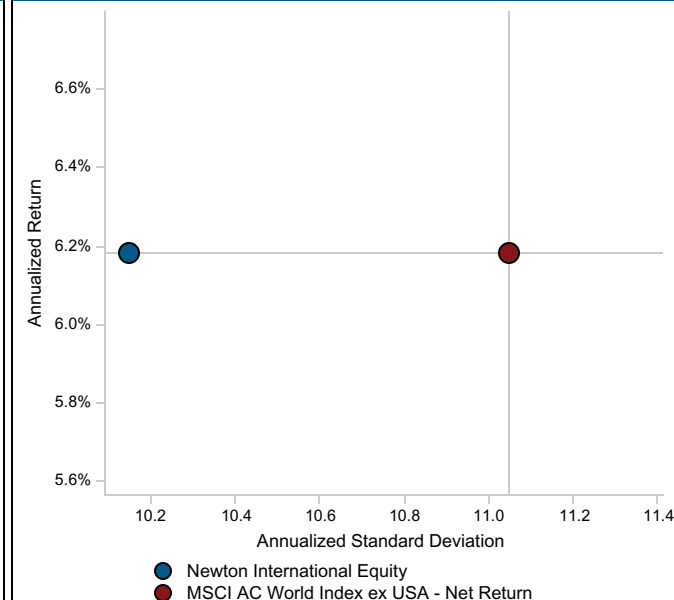
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
AXA SA Sponsored ADR	1.64	-0.38	France	8.72	-0.45
Vodafone Group Plc Sponso...	2.21	-0.28	United Kingdom	19.91	-0.38
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Man Wah Holdings Limited	1.15	-0.20	Hong Kong	3.55	-0.22
Topcon Corp.	1.67	-0.19	Germany	11.24	-0.13

Portfolio Performance and Risk Statistics (Gross of Fees)

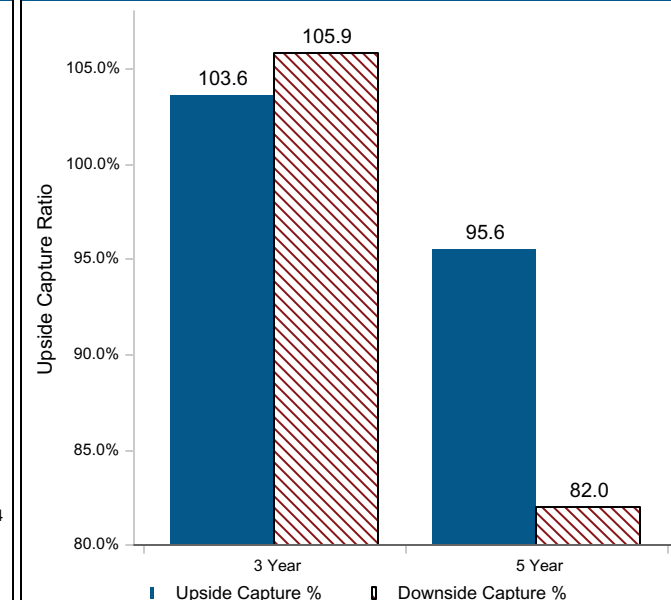
Risk Statistics vs. Benchmark

	3-Year	5-Year
Alpha	0.9%	2.0%
Beta	0.8	0.8
R2	85.5%	84.5%
Tracking Error	4.2%	4.2%
Information Ratio	0.0	0.2
Batting Average	58.3%	60.0%
Up Capture Ratio	103.6%	95.5%
Down Capture Ratio	105.9%	82.0%
Standard Deviation	10.1	9.1
Standard Deviation (Bmk)	11.0	10.6
Sharpe Ratio	0.6	0.7

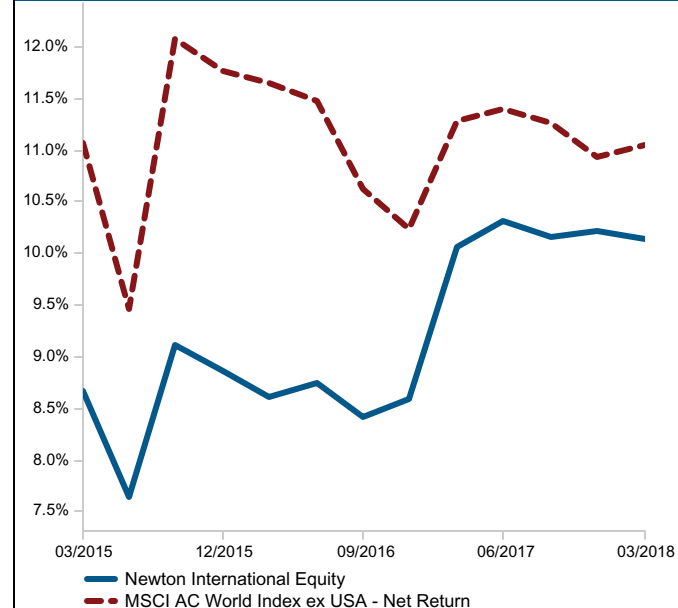
Risk-Reward - 3 Year (Annualized)



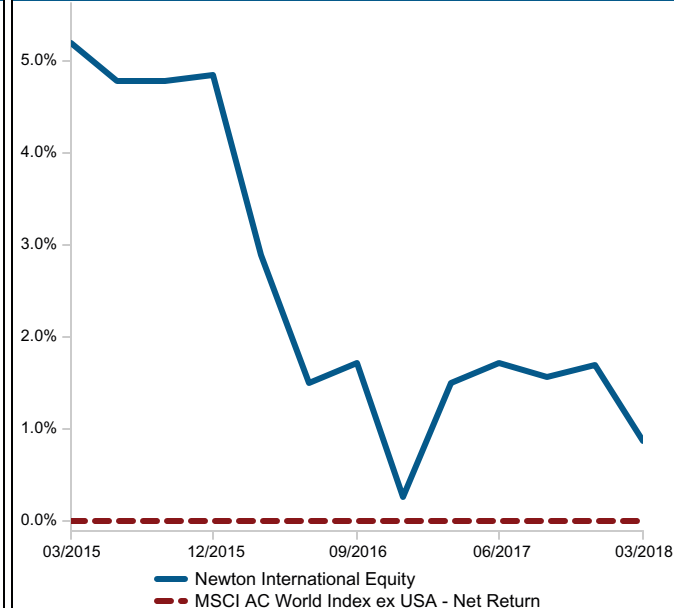
Up/Down Capture Ratio vs. the Benchmark



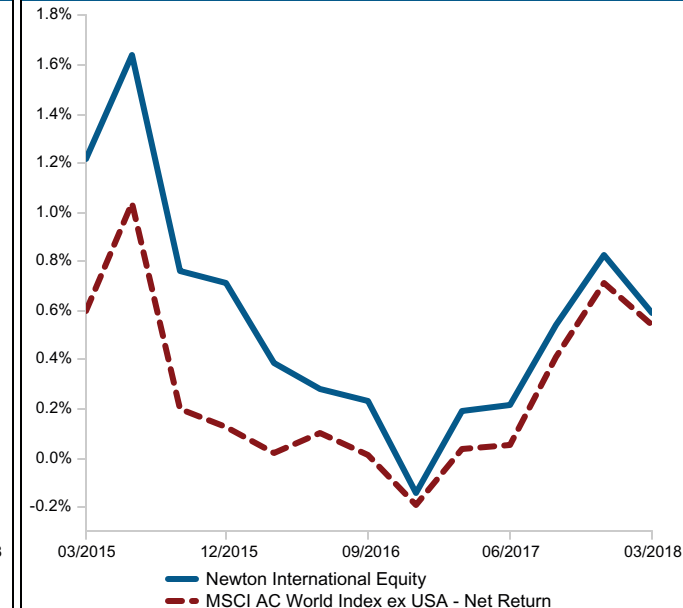
Standard Deviation - Rolling - 3 Year (Annualized)



Alpha - Rolling - 3 Year (Annualized)



Sharpe Ratio - Rolling - 3 Year (Annualized)



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 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.

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 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.

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.

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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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Global Investment Manager Analysis | March 1, 2018

Renaissance International Equity ADR

Approved List Report

Summary of Opinion

- Global Investment Manager Analysis (GIMA) has a positive view of Mr. Bruening's tenure as lead portfolio manager on this strategy and believes that the process has been consistently implemented over time.
- The firm invests in "growth" companies and the investment process is considered GARP ("Growth at a Reasonable Price") oriented. The process relies heavily on the quantitative screens that the firm has had in place for some time. These screens help the investment team focus on a smaller universe of international securities. The team conducts fundamental research after the screening process.
- The strategy may be appropriate for those investors seeking exposure to the large and midcap portion of the index. The portfolio has tended to be underweight the mega cap portion of the index as the screening process tends to find more attractive growth factors lower in the capitalization spectrum.

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STRATEGY DETAILS

Investment Style:
International Equities

Sub-Style:
Growth-oriented

Benchmark:
MSCI ACWI ex US (Net)

GIMA Status:
Approved List

Product Type:
Separately Managed Account

<http://www.reninv.com>

Strategy Mapping

MARKET SENSITIVITY	Above Benchmark
VOLATILITY	Above Benchmark
DIVIDEND YIELD	Below Benchmark
PORTFOLIO HOLDINGS	Diversified
AVG. MARKET CAP	Below Benchmark
PORTFOLIO BIASES	OW-China, Info Tech UW-UK, Japan, Financials

Strategy Description

The Renaissance International ADR strategy is considered a more conservative, high-quality growth product. The team looks for sustainable fundamental growth potential, positive earnings revision and price momentum at a reasonable valuation in companies outside the US.

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

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Strategy Snapshot

INVESTMENT CAPABILITIES	BUSINESS EVALUATION	INVESTMENT RESOURCES	PORTFOLIO CONSTRUCTION CAPABILITIES	SHORT-TERM PERFORMANCE ANALYSIS (≤ 3 YRS)	LONG-TERM PERFORMANCE ANALYSIS (> 3 YRS)
Average	Average	Average	Average	In-Line	In-Line

See Strategy Snapshot description at the end of this report.

Strategy Attributes

Positive Attributes

- Tenured portfolio manager who has managed the strategy since 2000.
- All of the key investment professionals own equity in the firm.
- Low investment professional turnover.

Points to Consider

- Growth at a price (GARP) investment style.
- Renaissance uses a quantitative screening process with a fundamental overlay to select stocks for the portfolio.
- The strategy can have up to 33% in emerging markets and has averaged approximately 27% over the last 5 years ending 12/31/17.
- Fairly small investment team relative to peers.
- Approximately 70% of the process is quantitative while the remaining 30% is fundamental research.
- Due to the bottom-up portfolio construction, the portfolio may deviate significantly from the benchmark regarding its sector, country or regional positioning.

Areas of Concern

- The current level of fundamental research is not as extensive as peers.
- A majority of firm assets are concentrated in the Large Cap Growth (59%) and International Equity (36%) strategies.

Performance Expectations

- GIMA expects the strategy to outperform when the market favors a growth at a reasonable price (GARP) approach. Given the strategy tends to overweight towards emerging markets, when those markets outperform developed markets we would expect the strategy to outperform. We would expect the strategy to underperform in rallies driven by lower quality companies or when value-oriented companies are in favor.

Performance Opinion

- Renaissance outperformed their index for the three-year annualized period through 12/31/17, performing in-line with GIMA's expectations. Overall the strategy benefitted from allocation decisions versus stock selection as a large overweight position to Information Technology strongly benefitted returns. While positive stock selection in the Consumer Discretionary sector helped, weaker stock selection to the Industrials, Energy and Materials sectors weighed on relative returns. Stock selection within the UK as well as an overweight position to Emerging Markets benefitted returns while stock selection to the Netherlands and Korea detracted.
- The strategy outperformed over the five-, seven and ten year annualized periods in-line with GIMA's expectations as of 12/31/17. The strategy has been able to deliver competitive returns over various market environments particularly in a period where growth-oriented strategies outperformed value. Overall, longer-term performance has been driven by a combination of positive stock selection as well as allocation decisions.

News Summary

- 3Q 2017 – Michael Schroer, Managing Partner & Chief Investment Officer, and Paul Radomski, Managing Partner, each bought additional equity in the firm from Affiliated Managers Group (AMG).
- 1Q 2017 – Carey Kruer left the firm as of January 27, 2017 and her equity stake is in the process of converting back to Affiliated Managers Group (AMG).
- 3Q 2016 – Partner Eric Strange left the firm and his equity stake was purchased by AMG effective October 1st, 2016.
- 4Q 2014 – Kevin Patton, Chief Compliance Officer, and Eric Aber, co-PM of the REIT strategy, became new partners at the firm.

Portfolio Traits

EQUITY

Range of Holdings	50-60
Maximum Position Size	Each of the securities receives an initial equal weight in the portfolio but generally the maximum weight is 4%
Econ Sector Constraints	Maximum 40% in any one sector/industry
Country Constraints	Typically 20-25 countries. In general the process is bottom-up and the team does not attempt to match any benchmark weights.
Emerging Mkts Constraints	33% maximum exposure to Emerging Markets, typically 25-33%
Currency Hedging	No
Tracking Error Target	No target
Typical Annual Turnover	50-100%
Invests in ADRs	Yes
Invests in ETFs	Allowed but not usually utilized except for client restrictions or tax purposes
Invests in Derivatives	No
Invests in IPOs	No
Liquidity Constraints	Either a minimum ADTV (average daily trading volume) of \$500k in the US or a minimum ADTV of \$200k in the US and \$1m in the local market. The minimum market cap for purchase is \$500 million.
Maximum Cash	2%
Typical Cash Position	Typically less than 2%
Est. Product Capacity	\$3-4 billion
Expected Benchmark Sensitivity	Low

Source: Renaissance

Ownership And Parent Company

NAME OF OWNER	PERCENT OWNED
Michael Schroer, Managing Partner	9.1%
Paul Radomski, Managing Partner	9.1%
Joe Bruening, Senior Partner	2.9%
Sudhir Warriar, Senior Partner	1.9%
Mary Meiners, Partner	0.9%
Andy Temming, Partner	0.5%
Kevin Patton, Partner	0.5%
Eric Aber, Partner	0.5%
Affiliated Managers Group (AMG)	74.6%
PUBLICLY TRADED	TICKER SYMBOL
No	N/A

Source: Renaissance

Assets Under Management (\$ Millions)

YEAR	FIRM	ADR
2017	\$5,484	\$1,968
2016	\$4,448	\$1,526
2015	\$4,237	\$1,318
2014	\$4,204	\$1,141
2013	\$3,958	\$1,068
2012	\$3,379	\$942
2011	\$3,698	\$866

Source: Renaissance

Additional Analyst Comments

- The strategy will utilize both listed ADRs as well as over-the-counter ADRs both sponsored and unsponsored.

Investment Capabilities Overview

Portfolio Management Team & Resources

- The investment team consists of one portfolio manager, Joe Bruening and two research analysts, Andrew Temming and Michael Streitmarter. Mr. Bruening has been with the firm since 1998 and has been lead portfolio manager on this product since 2000.

Investment Process & Portfolio Construction

- Renaissance uses a quantitative screening process with a fundamental overlay to pick stocks for the portfolio. The investment team focuses on attractively priced securities that have above-average profitability, historical growth in sales and earnings, and positive earnings estimate revisions.
- The investment process consists of three distinct stages:
- The initial screening process begins with approximately 3,000 ADRs and US listed shares of foreign corporations. Companies are selected that have either at least \$500,000 average daily trading volume in the U.S. or at least \$200,000 average daily trading volume in the U.S. with at least \$1 million in their local market, financial statements that reconcile to US accounting standards (US GAAP) or prepare under IFRS and are traded in US dollars. The team utilizes Compustat data for its screening process. The team indicated that approximately 70% of the process is quantitative while the remaining 30% is fundamental research.
- In this next stage approximately 750 stocks are given further consideration. These companies are subjected to a quantitative scoring process. This process ranks stocks based on growth, profitability, future earnings expectations and valuation. Only companies in the top 20% of the ranking are considered eligible as buy candidates. The factors that are incorporated into the screening process are below:
- Growth factors – cash flow growth, net income growth, price momentum, historic profitability. Growth factors represent approximately 40% of the screening process.
- Earnings momentum – change in consensus estimates, change in non-consensus estimates, forward earnings yield. Earnings momentum represents 30% of the screening process.
- Valuation factors – P/CF, EV/EBITD, and P/Sales -valuation factors represent 30% of the screening process.
- At this stage fundamental, qualitative analysis begins. Each company ranked in the top quintile is analyzed by the investment team. The team will focus on fundamentals, business environment and momentum, business strategy and macro/political issues. The team relies on Wall Street

research as well as other third party research firms for the majority of its fundamental research. The investment team does not visit potential buy candidates.

- This process identifies the top 50-60 most attractive securities.

Decision-Making

- Joe Bruening is the lead portfolio manager for all the international strategies at the firm. He is responsible for research and implementation on the strategies and therefore makes all final decisions.

Track Record Reliability

- Mr. Bruening has been a portfolio manager on this strategy since November 2000. The portfolio was inception in 1994. Michael Schroer, Managing Partner, worked on this portfolio prior to Mr. Bruening taking on the lead portfolio management role. Mr. Schroer is considered a back-up to Mr. Bruening, if needed.

Business Overview Structure

History / Ownership

- Renaissance was founded in 1978 as a manager of balanced and tactical asset allocation portfolios for both institutional and individual clients. In 1995, Renaissance partnered with Affiliated Managers Group (“AMG”) to buy out the original founders of the Company. AMG is a holding company for investment management firms across a broad range of investment styles and more than 300 investment products.
- Michael Schroer and Paul Radomski own the majority of the equity outside of Affiliated Managers Group (AMG). Over the years the firm has distributed ownership to various portfolio managers and investment professionals as they’ve deemed appropriate.
- The firm has added various investment products over time and currently offers Large Cap Growth, Large Cap Value, International Equity, Global, Emerging Markets, Midcap Growth, REITs, and Small Cap Growth products, as well as the original Balanced and Tactical Asset Allocation portfolio management products.

Legal/Compliance

- According to the firm, the last SEC examination was in March 2008. There were minor deficiencies which were addressed by amending the firms ADV Part I.
- According to the firm, there are currently no legal issues pending.

Definitions

MSCI AC World Index Ex USA - 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.

Sub-Styles: Subjective classifications designed to assist with manager selection and performance evaluation based on GIMA's understanding of a manager's long-term investment philosophy and portfolio structuring biases and techniques. At points in time managers may display attributes of other sub-style classifications, and these classifications may change due to changes in the capital markets, evolution of performance benchmarks, industry trends, or changes involving a manager's personnel or process.

Growth-Oriented: Tend to have a more growth-oriented investment philosophy and portfolio orientation often placing growth concerns above those associated with either benchmark structure or value characteristics and may exhibit more volatility than peers.

Strategy Mapping

Market Sensitivity – Represents GIMA's (Global Investment Manager Analysis) assessment of the historical market sensitivity or beta of a portfolio's return relative to the GIMA assigned benchmark. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Volatility – Represents GIMA's assessment of the historical fluctuation or standard deviation of a portfolio around its average return compared to the GIMA assigned benchmark. Unlike Market Sensitivity, which measures volatility relative to the GIMA assigned benchmark, Volatility measures the historical absolute volatility of a portfolio's return. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

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. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Portfolio Holdings – Represents GIMA's assessment of the portfolio's historical security level diversification relative to peers and the GIMA assigned benchmark. This section has three potential outcomes: **Concentrated**, **Diversified**, and **Highly Diversified**.

Avg. Market Cap – Represents GIMA's assessment of the portfolio's historical weighted average market capitalization (market price multiplied by shares outstanding) relative to the GIMA assigned benchmark. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Portfolio Biases – Represents GIMA's assessment of a portfolio's exposure tendencies in terms of sector allocation, around country/region positioning, credit quality, and other asset class specific exposures relative to peers and the GIMA assigned benchmark. This section has three potential outcomes: **UW (underweight “_____”)**, **OW (overweight “_____”)** or **No Significant Portfolio Biases**.

Strategy Snapshot

Investment Capabilities – Represents GIMA's opinion of the investment manager's investment capabilities with respect to the product under evaluation. This section covers the areas of quality of investment professionals, portfolio management, research and process execution. As these areas are not mutually exclusive, but rather interrelated, it is important to render a cohesive opinion on these areas of an organization. This section has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Business Evaluation - Represents GIMA's opinion of the state of the investment manager's overall business condition. This area reviews items such as ownership structure, trends in assets under management, legal and/or compliance issues, investment professional incentives and trading policies. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Investment Resources – Represents several important components dedicated to a strategy, such as the level and quality of investment personnel (portfolio managers, analysts, etc.), analytical tools and methodologies, and the parent firm's overall commitment to support of the strategy. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Portfolio Construction Capabilities – Represents an assessment of a manager's ability to utilize its investment resources and select securities in order to effectively build portfolios. This includes elements of diversification, risk management, sell discipline, position sizing, and turnover management. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Short-Term & Long-Term Performance Analysis – The opinion for performance is broken into two components: 1) Short-Term Performance Analysis represents GIMA's opinion of the investment product's performance typically over a time period of the trailing three years or less, 2) Long-Term Performance Analysis represents GIMA's opinion of the investment product's performance typically over a time period of more than the trailing three years. These areas have three potential opinion outcomes: **Above Expectations**, **In-Line** and **Below Expectations**.

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.

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. ADRs are typically listed on U.S. exchanges such as NYSE, AMEX and NASDAQ.

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.

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 – measures the degree to which the returns of two securities or indices are related. The range of possible correlations is between 1.0 and -1.0. Positive correlation indicates that returns tend to move in the same direction. Negative correlation indicates that returns tend to move in opposite directions. Zero correlation implies that there is no relationship between the securities' returns.

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 Historical – 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.

Historical EPS Growth – calculated by regressing over time the quarterly earnings per share for the past 20 quarters to determine the share's historical growth rate in earnings. The quarterly historical growth rate for each share is then annualized and the Historical EPS Growth shown in this report is the weighted average of these results.

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.

Long Term EPS Growth Rate – analyst consensus of expected annual increase in operating earnings per share over the company's next full business cycle - usually three to five years. The Long Term EPS Growth Rate for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

P/E - Forecast 12-Mo. – The price/earnings ratio for the stock based on the most recent closing price divided by the annual mean expected earnings for the current fiscal year (FY1 EPS forecast). P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

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.

R-Squared (R^2) – 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 R^2 is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R^2 percentages.

Return on Equity (ROE) – is another profitability ratio which gauges return on investment by measuring how effectively 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.

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.

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.

Important Disclosures

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

The Global Investment Manager Analysis (GIMA) services Only Apply to Certain Investment Advisory Programs

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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.

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 Wealth Management. 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 Wealth Management 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 Wealth Management 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

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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 referenced in this report.

For mutual funds, the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance information, current to the most recent month-end, please contact the fund directly at the website set out on the cover page of this report.

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.

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 investment manager, Morgan Stanley Wealth Management or a third party service provider, and may be based on a representative account or a composite of accounts.

Securities holdings

Holdings are subject to change daily, so any securities discussed in this report may or may not be included in your portfolio if you invest in this investment product. Your portfolio may also include other securities in addition to or instead of any securities discussed in this report. Do not assume that any holdings mentioned were, or will be, profitable.

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. Besides the general risk of holding securities that may decline in value, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance, and potential leverage. Some funds also invest in foreign securities, which may involve currency risk.

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**.

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.

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.

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 and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

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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Renaissance International Equity ADR

Benchmark: MSCI All Country World Ex-United States
March 31, 2018 (Q1)

Status: Approved
Analyst: William Ryan
Phone: 302-888-4260 Email: William.V.Ryan@ms.com

Trailing Returns

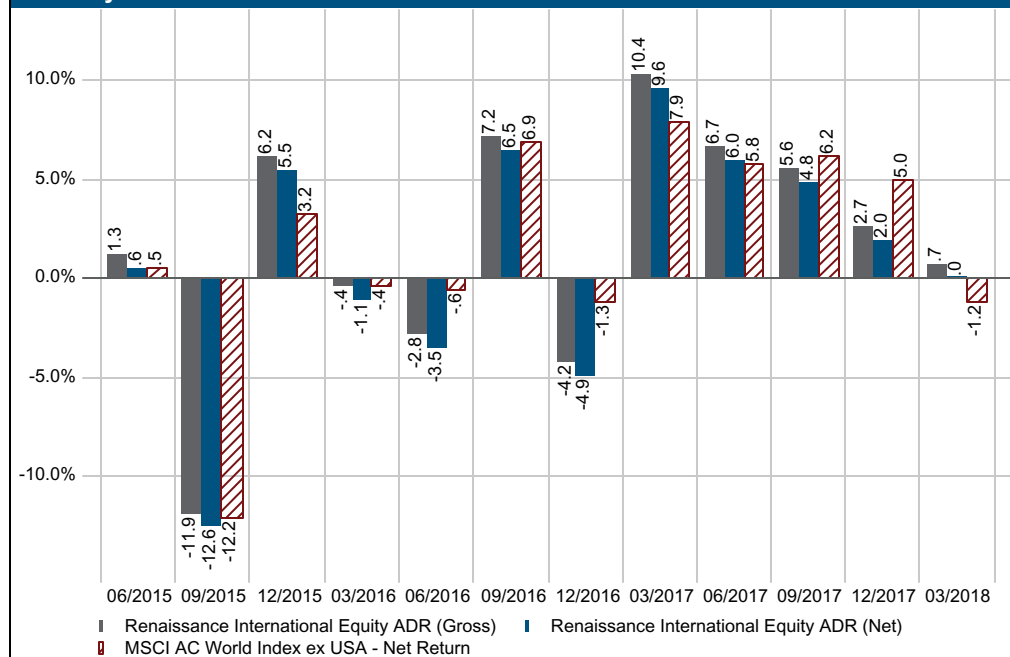
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
Renaissance International Equity ADR (Gross)	0.68%	0.68%	16.47%	6.57%	9.10%	6.60%	3.61%	27.66%	-0.60%	0.39%	-4.31%	32.02%	11.78%
Renaissance International Equity ADR (Net)	0.00%	0.00%	13.28%	3.60%	6.05%	3.62%	0.69%	24.14%	-3.46%	-2.38%	-7.08%	28.42%	8.66%
MSCI AC World Index ex USA - Net Return	-1.18%	-1.18%	16.53%	6.18%	5.89%	4.26%	2.70%	27.19%	4.50%	-5.66%	-3.87%	15.29%	16.83%
Excess Return (Gross)	1.86%	1.86%	-0.06%	0.38%	3.21%	2.34%	0.91%	0.47%	-5.09%	6.06%	-0.45%	16.74%	-5.05%

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.

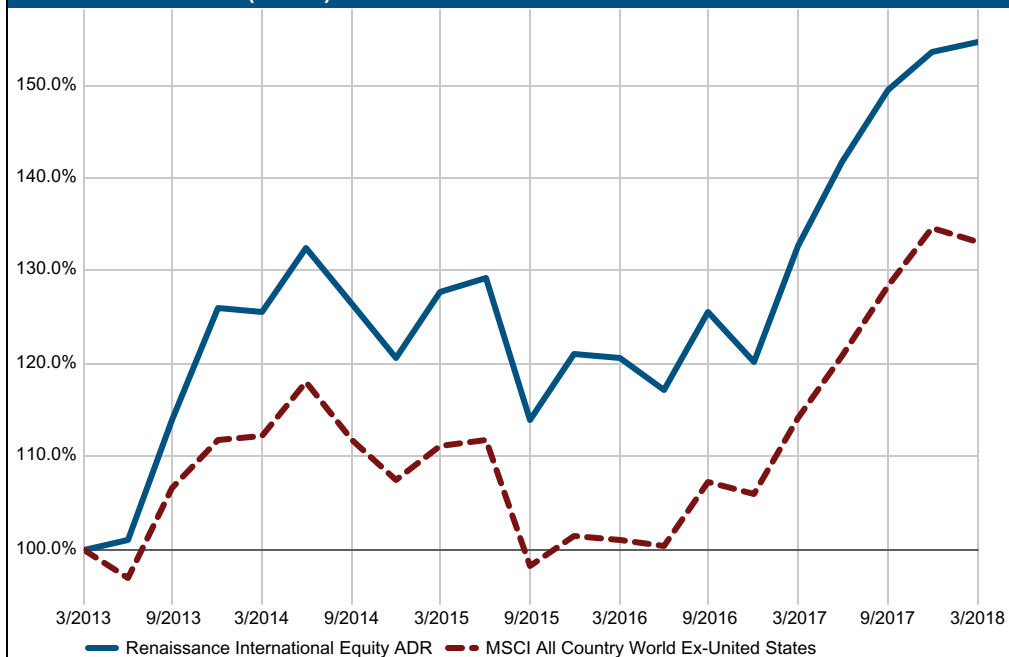
Strategy Description

The Renaissance International ADR strategy is considered a conservative, high-quality growth product. The team looks for sustainable fundamental growth characteristics; positive earnings revision and price momentum at a reasonable valuation in companies outside the US.

Quarterly 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.

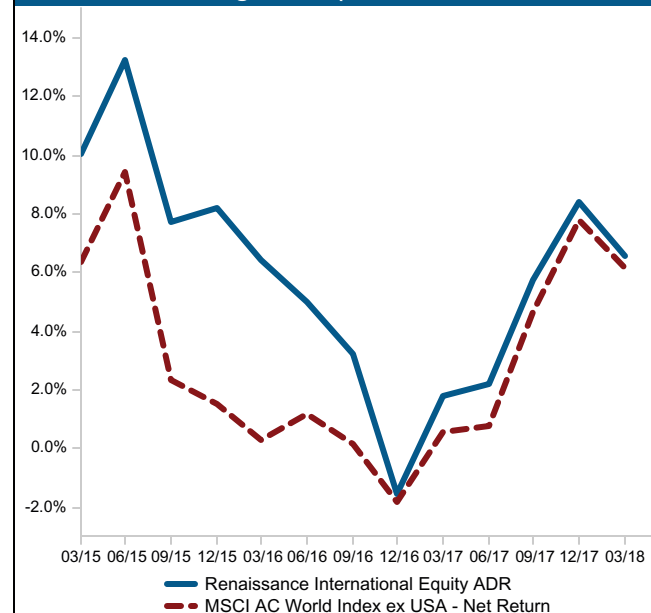
Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

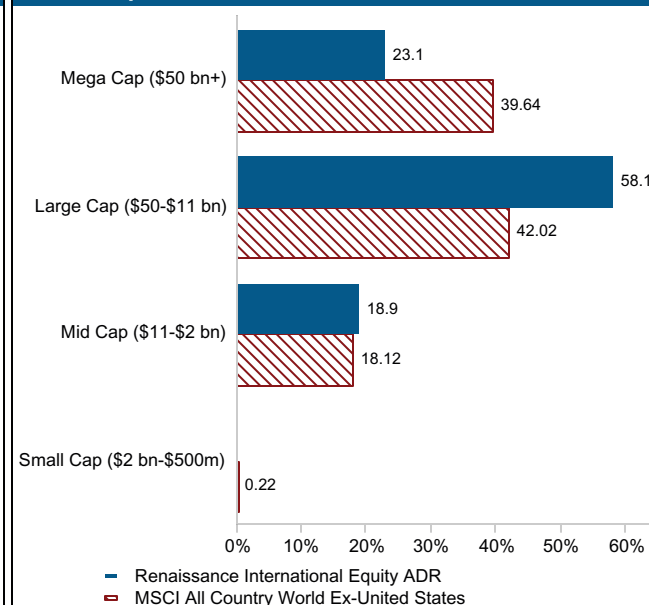
Portfolio Characteristics			Economic Sector Allocation				Regional Sector Allocation				Top 10 Holdings	
	Strategy	Bmk		Strategy	Bmk	Rel.		Strategy	Bmk	Rel.		% of Equity
# of Securities	55	1864	Consumer Discretionary	17.73	11.36	6.37	EMEA	3.61	3.98	-0.37	Taiwan Semiconductor Manufactu...	2.66
Market Cap (\$M)	37,387	50,925	Consumer Staples	2.02	9.46	-7.44	Europe	38.83	42.89	-4.05	Infineon Technologies AG Spons...	2.52
P/E - Trailing 12-Mo.	13.8	15.1	Energy	4.05	6.71	-2.66	Far East	14.78	18.02	-3.24	Ryanair Holdings Plc Sponsored...	2.44
Adj. P/E - trailing 12-Mo.	13.6	14.8	Financials	19.50	23.13	-3.64	Frontier Markets	--	0.03	-0.03	GKN plc Sponsored ADR	2.42
P/E - Forecast FY1*	11.6	13.7	Health Care	5.30	7.69	-2.39	Latin America	1.34	3.08	-1.74	Persimmon Plc Un-sponsored ADR	2.41
Price-to- Book	1.8	1.7	Industrials	16.76	11.77	5.00	North America	17.14	7.05	10.09	Capgemini SE Un-sponsored ADR	2.33
Dividend Yield	2.22	2.96	Information Technology	16.83	11.83	5.00	Pacific	24.30	24.96	-0.66	Allianz SE Sponsored ADR	2.32
Return on Equity	16.4	14.7	Materials	11.71	8.00	3.71	Total	100.00	100.00		DBS Group Holdings Ltd Sponsor...	2.30
EPS Growth - Forecast*	10.0	13.5	Real Estate	--	3.18	-3.18	Developed	80.27	74.90	5.38	ICON Plc	2.28
EPS Growth - Hist. 5 Year	11.2	9.2	Telecommunication Services	6.11	3.92	2.19	Emerging	19.73	25.10	-5.38	China Eastern Airlines Corpora...	2.19
Active Share	93.6	--	Utilities	--	2.96	-2.96					Total	23.87

*Forecasts based on analysts' consensus

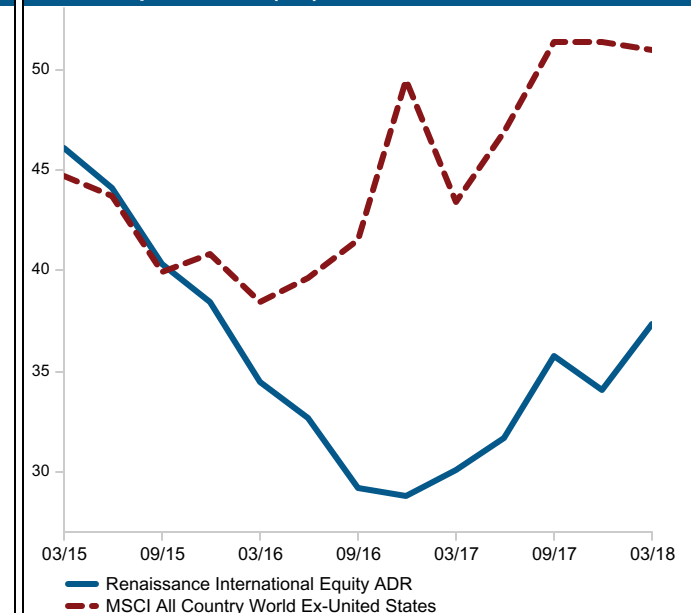
Performance Rolling 3-Year (Annualized - Gross of Fees)



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	6.37	-0.00	1.00	1.00	Consumer Discretionary	6.37	-0.00	1.00	1.00
Consumer Staples	-7.44	0.04	-0.08	-0.04	Consumer Staples	-7.44	0.04	-0.08	-0.04
Energy	-2.66	0.02	0.47	0.48	Energy	-2.66	0.02	0.47	0.48
Financials	-3.64	-0.04	0.16	0.11	Financials	-3.64	-0.04	0.16	0.11
Health Care	-2.39	-0.03	0.18	0.16	Health Care	-2.39	-0.03	0.18	0.16
Industrials	5.00	-0.02	0.24	0.22	Industrials	5.00	-0.02	0.24	0.22
Information Technology	5.00	0.22	-0.57	-0.35	Information Technology	5.00	0.22	-0.57	-0.35
Materials	3.71	-0.04	0.58	0.54	Materials	3.71	-0.04	0.58	0.54
Real Estate	-3.18	0.01	--	0.01	Real Estate	-3.18	0.01	--	0.01
Telecommunication Services	2.19	-0.07	-0.09	-0.16	Telecommunication Services	2.19	-0.07	-0.09	-0.16
Utilities	-2.96	-0.09	-0.24	-0.33	Utilities	-2.96	-0.09	-0.24	-0.33
Total	--	0.01	1.64	1.65	Total	--	0.01	1.64	1.65
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	-0.37	0.01	0.29	0.29	EMEA	-0.37	0.01	0.29	0.29
Europe	-4.05	0.05	1.70	1.75	Europe	-4.05	0.05	1.70	1.75
Far East	-3.24	0.12	-0.82	-0.70	Far East	-3.24	0.12	-0.82	-0.70
Frontier Markets	-0.03	-0.00	--	-0.00	Frontier Markets	-0.03	-0.00	--	-0.00
Latin America	-1.74	-0.14	-0.11	-0.24	Latin America	-1.74	-0.14	-0.11	-0.24
North America	10.09	-0.42	0.56	0.14	North America	10.09	-0.42	0.56	0.14
Pacific	-0.66	0.01	0.41	0.41	Pacific	-0.66	0.01	0.41	0.41
Total	--	-0.38	2.03	1.65	Total	--	-0.38	2.03	1.65

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.
GKN plc Sponsored ADR	2.08	0.76	United Kingdom	9.01	0.62	GKN plc Sponsored ADR	2.08	0.76	United Kingdom	9.01	0.62
Oil company LUKOIL PJSC S...	1.99	0.35	Ireland	4.47	0.48	Oil company LUKOIL PJSC S...	1.99	0.35	Ireland	4.47	0.48
Renault SA Un-sponsored AD...	1.90	0.35	Taiwan	4.33	0.43	Renault SA Un-sponsored AD...	1.90	0.35	Taiwan	4.33	0.43
Ryanair Holdings Plc Spon...	2.31	0.35	Russia	1.99	0.35	Ryanair Holdings Plc Spon...	2.31	0.35	Russia	1.99	0.35
DBS Group Holdings Ltd Sp...	2.22	0.26	Singapore	3.21	0.24	DBS Group Holdings Ltd Sp...	2.22	0.26	Singapore	3.21	0.24

Bottom Contributors to Performance

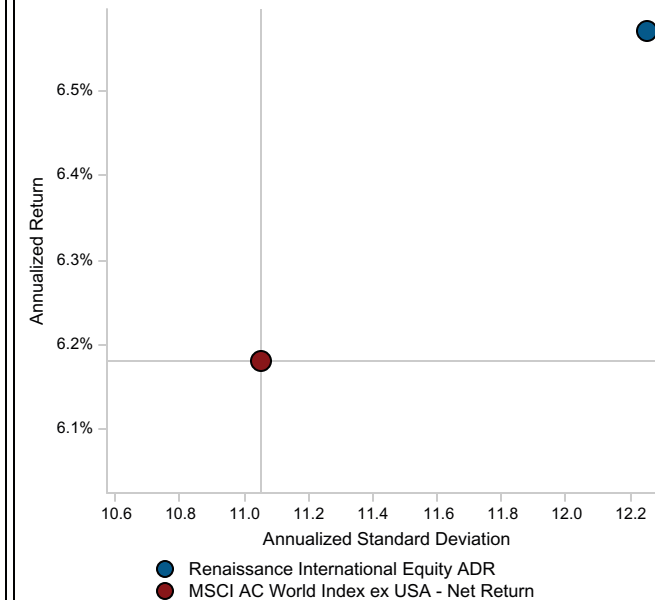
Current Quarter			Current Quarter			Year to Date			Year to Date		
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
NetEase, Inc. Sponsored A...	1.79	-0.36	Korea	4.90	-0.50	NetEase, Inc. Sponsored A...	1.79	-0.36	Korea	4.90	-0.50
Korea Electric Power Corp...	1.15	-0.25	China	10.57	-0.39	Korea Electric Power Corp...	1.15	-0.25	China	10.57	-0.39
SK Telecom Co., Ltd. Spon...	1.70	-0.24	Canada	6.44	-0.35	SK Telecom Co., Ltd. Spon...	1.70	-0.24	Canada	6.44	-0.35
Valeo SA Sponsored ADR	1.86	-0.22	Germany	7.01	-0.20	Valeo SA Sponsored ADR	1.86	-0.22	Germany	7.01	-0.20
AXA SA Sponsored ADR	1.75	-0.19	Hong Kong	2.16	-0.14	AXA SA Sponsored ADR	1.75	-0.19	Hong Kong	2.16	-0.14

Portfolio Performance and Risk Statistics (Gross of Fees)

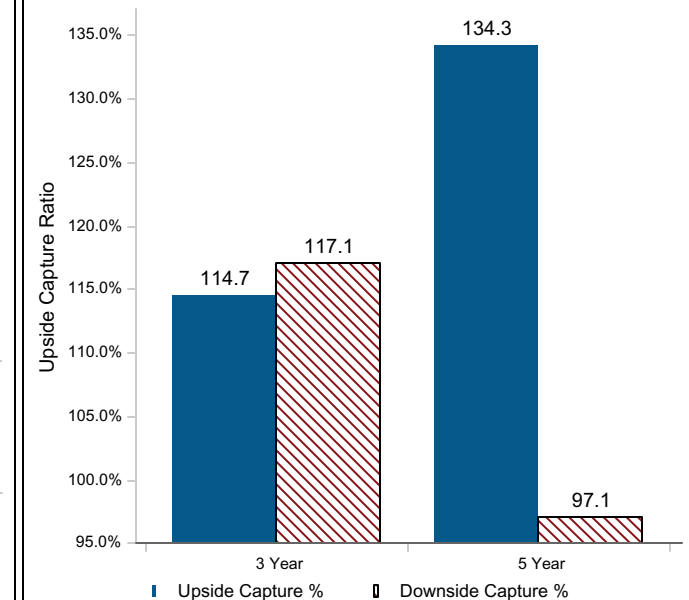
Risk Statistics vs. Benchmark

	3-Year	5-Year
Alpha	0.1%	2.7%
Beta	1.1	1.1
R2	90.8%	87.9%
Tracking Error	3.8%	4.4%
Information Ratio	0.1	0.8
Batting Average	66.7%	70.0%
Up Capture Ratio	114.7%	134.3%
Down Capture Ratio	117.1%	97.1%
Standard Deviation	12.3	12.3
Standard Deviation (Bmk)	11.0	10.6
Sharpe Ratio	0.5	0.7

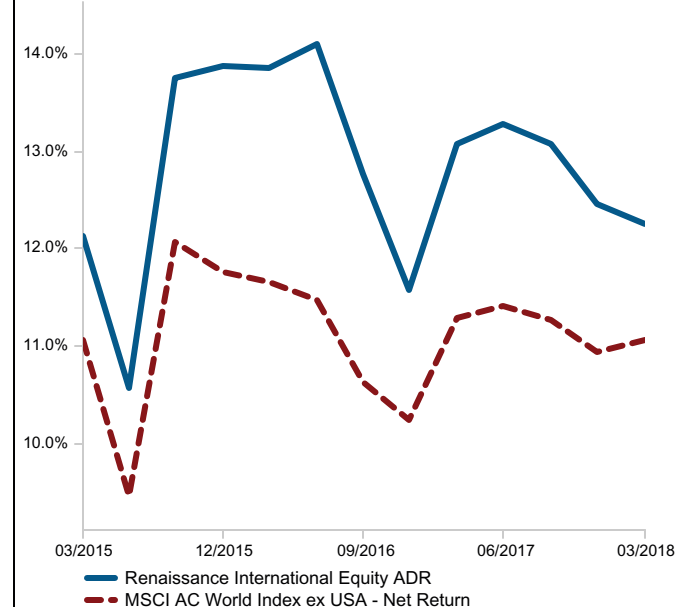
Risk-Reward - 3 Year (Annualized)



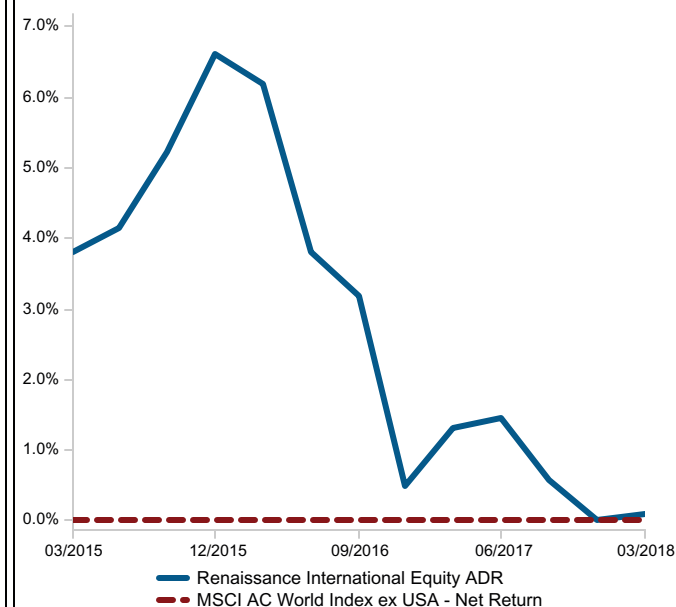
Up/Down Capture Ratio vs. the Benchmark



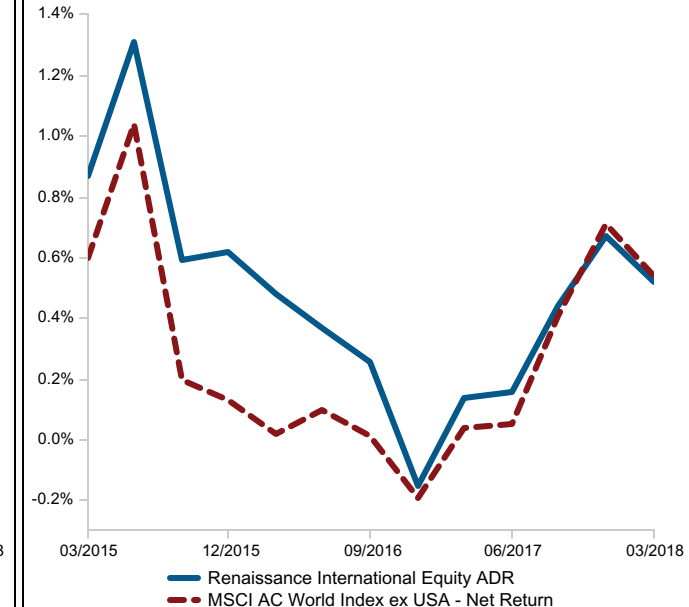
Standard Deviation - Rolling - 3 Year (Annualized)



Alpha - Rolling - 3 Year (Annualized)



Sharpe Ratio - Rolling - 3 Year (Annualized)



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 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

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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.

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."

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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 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.

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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Schroders International Stock ADR/Hartford Schroders International Stock Fund

Focus List Report

Summary of Opinion

- This strategy sets itself apart through a unique combination of analytical research depth and effectiveness, a proprietary risk management framework, and the incorporation of Environmental, Social and Governance (ESG) considerations into portfolio decision-making.
- GIMA has recently changed the status of this product from Approved List to Focus List. After a noteworthy portfolio manager change in November of 2013, GIMA has been impressed with the current portfolio management team, which in our opinion has continued to carry out the investment process with a clear sense of purpose.
- The firm embraces alignment of interests between investors and clients, rewarding its investment professionals based on their ability to pick stocks as well as the overall relative performance of the strategy.

Strategy Mapping

MARKET SENSITIVITY	Near Benchmark
VOLATILITY	Near Benchmark
DIVIDEND YIELD (SMA)/DISTRIBUTION RATE (MF) RATE	Below Benchmark
PORTFOLIO HOLDINGS	Diversified
AVG. MARKET CAP	Above Benchmark
PORTFOLIO BIASES	OW to Financials

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STRATEGY DETAILS

Investment Style:
International Equities

Sub-Style:
Growth-Oriented

Benchmark:
MSCI AC World ex USA Index

GIMA Status:
Focus List

Product Type:
Separately Managed Acc't & Mutual Fund

Ticker Symbol:
SCIEX (TRAK FS & UMA)

<http://www.schroders.com/>

Strategy Description

The strategy seeks to invest in reasonably priced quality growth companies that demonstrate a sustainable competitive advantage. The team uses a bottom-up stock selection approach, which also incorporates an assessment of potential ESG risk, embodied within a macroeconomic framework.

This report is only to be used in connection with investment advisory programs and not brokerage accounts. Before investing, consider the fund's investment objectives, risks, charges and expenses. Contact your Financial Advisor for a prospectus containing this and other information about the fund. Read it carefully before investing. More information regarding the fees, expenses and performance (but not including the Morgan Stanley Wealth Management program fee) is available at the website noted above.

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This is not a "research report" as defined by FINRA Rule 2241 and was not prepared by the Research Departments of Morgan Stanley Smith Barney LLC or its affiliates.

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

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WEALTH MANAGEMENT

Strategy Snapshot

INVESTMENT CAPABILITIES	BUSINESS EVALUATION	INVESTMENT RESOURCES	PORTFOLIO CONSTRUCTION CAPABILITIES	HIGH ADVERSE ACTIVE ALPHA	SHORT -TERM PERFORMANCE ANALYSIS (≤ 3 YRS)	LONG -TERM PERFORMANCE ANALYSIS (> 3 YRS)
Above Average	Above Average	Above Average	Above Average	No	Above Expectations	Above Expectations

See Strategy Snapshot description at the end of this report.

Strategy Attributes

Positive Attributes

- The firm has research presence around the globe, which gives Schroders local access to global markets and companies.
- GIMA has confidence in the portfolio management team and analysts' ability to effectively implement the investment process.
- The investment process is believed to be well thought out and is contained within a disciplined framework. Over the long term, the process is believed capable of adding value.

Points to Consider

- Lead portfolio change in November of 2013.
- Stocks are screened for sufficient size, liquidity, and fundamental metrics that give an indication of "quality."
- Initial local research and stock recommendations are generated by over 70 equity analysts in Schroders' regional equity teams. The strongest ideas are then vetted in a global context by nine global sector specialists (GSS).
- The firm's Data Insight unit provides unique perspective, going beyond traditional security analysis, utilizing targeted surveys and "grass roots" information gathering which provides management with a more complete picture of the portfolio.

Areas of Concern

- Nothing at this time.

Performance Expectations

- GIMA has assigned a Growth-oriented sub-style to the strategy. GIMA expects the strategy to outperform when high-quality stocks are favored and fundamentals are largely rewarded. The strategy is expected to struggle in deep value or in momentum growth environments.
- Additionally, in periods when small caps are performing strongly, this strategy may be held back due to its primarily large cap and mid-cap orientation.

Performance Opinion

- Overall, shorter-term performance is above GIMA's expectations for the three-year annualized period ending

6/30/17. While GIMA acknowledges that underperformance in calendar years 2014 and 2016 has detracted slightly from the three-year annualized performance, the strategy overall for the period has benefited from positive sector and country positioning, as well as stock selection.

- The strategy has tended to participate less in strong rallies driven principally by momentum with less importance placed on underlying fundamentals. In markets that are highly volatile with strong emphasis on fundamentals, the strategy has generally added value.

News Summary

- Q1 2017 – Chris Costanza, a Global Sector Specialist (GSS) covering the Financials sector, left the firm. Andre Reichel, who joined the firm in Q4 2014, and is a GSS covering Utilities, is now covering Financials as well. He was a Financials analyst by training.
- September 2016 –Schroders completed the acquisition of the securitized credit business from Brookfield Investment Management Inc.
- June 2, 2016 – Hartford Funds and Schroders have entered into a strategic relationship to expand Hartford Funds' investment platform. The relationship will involve Hartford Funds adopting ten of Schroders' existing US mutual funds, including the Schroders International Alpha Fund and the Schroders Emerging Markets Fund. The fund adoptions are expected to be complete by the end of the third quarter of 2016, subject to shareholder approval.
- Q4 2015 – George Ullstein joined the team as a Global Sector Specialist for Consumer Discretionary (ex-Autos). He assumes these responsibilities from Charles Somers who retains his role as Global Sector Specialist for Consumer Staples and extends his portfolio management responsibilities.
- Q4 2015 – Sue Chan, a Global Sector Specialist, left the team to pursue opportunities outside of the firm.
- 7/2015 – Owen Scarrott joined the firm as a Global Sector Specialist covering the Materials and Industrials sectors.

WEALTH MANAGEMENT

Portfolio Traits

EQUITY

Range of Holdings	40 – 60 ADR & Fund
Maximum Position Size	5% at purchase; 7% absolute maximum
Econ Sector Constraints	No formal constraints
Country Constraints	No formal constraints
Emerging Mkts Constraints	Benchmark +/- 20%
Currency Hedging	No
Tracking Error Target	No target; typically 4 – 6%
Typical Annual Turnover	25 - 40%
Invests in ADRs	Yes
Invests in ETFs	No
Invests in Derivatives	No
Invests in IPOs	Yes
Liquidity Constraints	>\$2 billion
Maximum Cash	5%
Typical Cash Position	3%
Est. Product Capacity	\$12 billion
Expected Benchmark Sensitivity	Moderate

Source: Schroders

Ownership And Parent Company

NAME OF OWNER	PERCENT OWNED
Schroders Family	47.9%
Employees	3.6%
Public	Remaining Shares
PUBLICLY TRADED	TICKER SYMBOL
London Exchange	SDR

Source: Schroders

Assets Under Management (\$ Millions)

YEAR	FIRM	ADR	FUND
2Q 2017	\$528,501	\$324	\$181
2016	\$476,976	\$254	\$147
2015	\$462,113	\$208	\$155
2014	\$467,802	\$290	\$170
2013	\$435,397	\$271	\$198
2012	\$344,545	\$112	\$74
2011	\$291,008	\$90	\$43

Source: Schroders

Additional Analyst Comments

- **Decision Making:** Stocks recommended by the GSS to the team as a whole are discussed and debated, and are considered in the context of a global opportunity-set, and the extent to which expectations for forward earnings growth differ from consensus expectations.
- **Decision Making:** On the basis of these discussions and any follow-up work deemed necessary, the portfolio managers then decide whether the risk-return characteristics and levels of conviction around the particular investment thesis are sufficiently compelling to warrant a position in the portfolio.
- **Implementation:** Portfolio construction starts with approved investment ideas, which comprise the International Stock mutual fund. The ADR strategy may not include the entire opportunity set of the fund due to: 1) availability of ADRs, 2) liquidity of ADRs, 3) ADRs that may have a premium/discount to the local share, and 4) timing differences. Due to these differences, there may be performance divergence between the International Stock ADR strategy and the mutual fund in any given year. That said, over time, the holdings overlap has been in the 85-95% range.

Investment Capabilities Overview

Portfolio Management Team & Resources

- The team is led by Alex Tedder, Head of Global Equities, while Simon Webber is the Lead portfolio manager on the strategy. James Gautrey, Charles Somers, and Katherine Davidson all serve as portfolio managers on the strategy.
- The team has 8 dedicated Global Sector Specialists, along with Schroders local research analysts, supporting the team.

Investment Process & Portfolio Construction

- Schroders believes that high-quality, reasonably priced international companies with strong prospects and a sustainable competitive advantage will produce strong long-term investment return potential. The firm also believes that in-depth fundamental research, that incorporates a comprehensive macroeconomic viewpoint, is the most reliable means of finding such companies and identifying where the market undervalues their growth.
- The team begins with a universe of global stocks and is narrowed down by combining quantitative screening with a qualitative review by the team of local analysts. The final stocks are subject to a proprietary company modeling that incorporates an assessment of potential ESG risks.
- The local analysts tailor their analysis using the valuation tools they think are most appropriate for the respective stock/sector/country. The analysts assign a rating based on expected relative performance over the medium term. A ranking of '1' represents a strong buy, while a ranking of '4' represents a strong sell.
- The Global Sector Specialists further narrow the universe by generally focusing on stocks ranked '1' or '2' by the local analysts, given that these constitute the strongest stock ideas with the respective regions.
- The GSS team further analyzes the modeling work performed by the local analysts as well as the general analysis and ESG assessment of the company based on the GSS's independent view of growth- and risk- drivers. The GSS then re-frame the investment recommendations, by evaluating the company's strength relative to global sector dynamics across regions. Schroders' research platform is structured around the principle of comparability of data, depth of analysis and accessibility of information. To achieve comparability of data across countries and different accounting standards, all companies' research notes must conform to the distinctive Schroders' proprietary valuation methodology, which adjusts key accounting differences. This approach, applied consistently throughout the world, uses multiple inputs, such as Schroders' proprietary discounted cash flow model,

economic return analysis and "sum of the parts" to derive an estimated fair market value. This overlay serves to identify approximately 500 stocks which are considered potentially interesting stock ideas for further work and analysis.

- Drawing on this list of stocks, the GSS team builds detailed earnings and cash flow models and conducts meetings with company management to develop their investment thesis. Importantly, they help create an earnings "roadmap" for each stock, identifying where and why their view on a company's forward earnings growth differs from consensus expectations. A perspective on ESG factors helps to evaluate the sustainability of long-term growth. The team also uses proprietary quantitative screens to confirm or challenge these fundamental views.

Decision-Making

- Mr. Webber has the ultimate responsibility for portfolio construction, but works closely with the GSS team and Mr. Gautrey, Mr. Somers, and Ms. Davidson, in particular.

Track Record Reliability

- The track record reliability is rated 'Moderate', as Mr. Webber became lead portfolio manager effective November 2013. Prior to that, he had been co-portfolio manager alongside Virginie Maisonneuve since 2010.

Business Overview Structure

History / Ownership

- Schroders plc, founded by the Schroders Family in 1804, is a global asset management company with more than 200 years of experience in world financial markets. Schroders currently has more than 400 investment professionals and offices in 28 countries.
- Schroders Investment Management North America Inc. (SIMNA) is an indirect wholly owned subsidiary of Schroders plc, a public company and one of the largest asset managers listed on the London Stock Exchange.
- Hartford Funds is a wholly-owned subsidiary of The Hartford Financial Services Group, a NYSE listed company. SIMNA serves as the sub-adviser to the Hartford Schroders International Stock Fund. In October 2016, Hartford Funds adopted the Hartford Schroders International Stock fund, and nine other mutual funds, retaining the existing Schroders' portfolio management teams.

Legal/Compliance

- In August 2014, Schroders received a subpoena for documents from the SEC in connection with the SEC's Investigation into trading in the securities of a US equity security. Schroders fully cooperated.

WEALTH MANAGEMENT

Definitions

Sub-Styles: Subjective classifications designed to assist with manager selection and performance evaluation based on GIMA's understanding of a manager's long-term investment philosophy and portfolio structuring biases and techniques. At points in time managers may display attributes of other sub-style classifications, and these classifications may change due to changes in the capital markets, evolution of performance benchmarks, industry trends, or changes involving a manager's personnel or process.

Growth-Oriented: Tend to have a more growth-oriented investment philosophy and portfolio orientation often placing growth concerns above those associated with either benchmark structure or value characteristics and may exhibit more volatility than peers.

MSCI AC World Index Ex USA - 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.

Strategy Mapping

Market Sensitivity – Represents GIMA's (Global Investment Manager Analysis) assessment of the historical market sensitivity or beta of a portfolio's return relative to the GIMA assigned benchmark. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Volatility – Represents GIMA's assessment of the historical fluctuation or standard deviation of a portfolio around its average return compared to the GIMA assigned benchmark. Unlike Market Sensitivity, which measures volatility relative to the GIMA assigned benchmark, Volatility measures the historical absolute volatility of a portfolio's return. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Distribution Rate – Represents GIMA's assessment of the portfolio's current and historical distribution rate compared to the GIMA assigned benchmark. Distribution rate may consist of investment income, short-term capital gains, long-term capital gains, and/or return of capital. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

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. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Portfolio Holdings – Represents GIMA's assessment of the portfolio's historical security level diversification relative to peers and the GIMA assigned benchmark. This section has three potential outcomes: **Concentrated**, **Diversified**, and **Highly Diversified**.

Avg. Market Cap – Represents GIMA's assessment of the portfolio's historical weighted average market capitalization (market price multiplied by shares outstanding) relative to the GIMA assigned benchmark. This section has three potential outcomes: **Above Benchmark**, **Near Benchmark**, and **Below Benchmark**.

Portfolio Biases – Represents GIMA's assessment of a portfolio's exposure tendencies in terms of sector allocation, around country/region positioning, credit quality, and other asset class specific exposures relative to peers and the GIMA assigned benchmark. This section has three potential outcomes: **UW (underweight “_____”)**, **OW (overweight “_____”)** or **No Significant Portfolio Biases**.

Strategy Snapshot

Investment Capabilities – Represents GIMA's opinion of the investment manager's investment capabilities with respect to the product under evaluation. This section covers the areas of quality of investment professionals, portfolio management, research and process execution. As these areas are not mutually exclusive, but rather interrelated, it is important to render a cohesive opinion on these areas of an organization. This section has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Business Evaluation - Represents GIMA's opinion of the state of the investment manager's overall business condition. This area reviews items such as ownership structure, trends in assets under management, legal and/or compliance issues, investment professional incentives and trading policies. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Investment Resources – Represents several important components dedicated to a strategy, such as the level and quality of investment personnel (portfolio managers, analysts, etc.), analytical tools and methodologies, and the parent firm's overall commitment to support of the strategy. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

Portfolio Construction Capabilities – Represents an assessment of a manager's ability to utilize its investment resources and select securities in order to effectively build portfolios. This includes elements of diversification, risk management, sell discipline, position sizing, and turnover management. This area has three potential opinion outcomes: **Above Average**, **Average** and **Needs Improvement**.

High Adverse Active Alpha* – High Adverse Active Alpha rankings are generally defined as falling into the top two quintiles (40%). Separately Managed Account and mutual fund rankings could differ. In some cases where the separately managed account product and mutual fund are substantially similar, the separately managed account rating may be applied to the mutual fund and vice versa. This area has three potential opinion outcomes: **Yes**, **No**, and **NA**.

Short-Term & Long-Term Performance Analysis – The opinion for performance is broken into two components: 1) Short-Term Performance Analysis represents GIMA's opinion of the investment product's performance typically over a time period of the trailing three years or less, 2) Long-Term Performance Analysis represents GIMA's opinion of the investment product's performance typically over a time period of more than the trailing three years. These areas have three potential opinion outcomes: **Above Expectations**, **In-Line** and **Below Expectations**.

WEALTH MANAGEMENT

*Global Investment Manager Analysis (GIMA) defines Adverse Active Alpha (AAA) as follows:

Adverse refers to the demonstrated ability to outperform in a variety of market environments and when conditions were difficult for active manager relative performance. "Difficult" periods were times when active management did not perform well relative to the index, as opposed to down market periods. At various times, active management has experienced difficult relative performance periods in up, down, and flat markets. We developed a set of factors to help discern which periods were more difficult for active managers that we utilize to identify managers that were able to overcome these headwinds and outperformed in the face of adversity.

Active refers to managers with portfolios that looked different from the index and had moderate to low tracking error. For equity products, we utilize active share to measure the degree of differentiation from the benchmark, while the fixed income model uses r^2 . By using these measures in conjunction with tracking error, the ranking seeks to find managers that were active, but not taking outsized bets, and that had some degree of style consistency. The combination of high active share and low tracking error is fairly uncommon among active managers, but we believe these traits may point toward managers with strong stock picking skills.

Alpha refers to the demonstrated ability to add value relative to an index and/or peers. Back tests indicate that highly ranked managers as a group outperformed the index and style peer group over subsequent periods and relative to active share alone. By combining the "adverse" component with the "active" component, we believe we increase the odds of finding some of the most proficient stock pickers.

Important Considerations Regarding the Adverse Active Alpha ranking process:

In our view, the Adverse Active Alpha manager ranking model is an important part of evaluating managers for consideration. However, we do recognize that AAA cannot, in and of itself, tell us which managers' strategies to invest in or when to buy or sell the strategies. While highly ranked managers historically performed well as a group in our analysis, past performance is not a guarantee of future results for any manager or strategy. Index returns assume reinvestment of dividends and, unlike fund or strategy returns, do not reflect any fees or expenses. Indices are unmanaged and not available for direct investment.

It is also important to keep in mind that just because a manager has high active share (top two deciles), a portfolio that looks different than the index (benchmark) doesn't necessarily mean the portfolio had or will have better performance than the index. Being different than the index does not consider factors such as: the timeliness of data provided by the manager, the appropriateness of the benchmark used for comparison to the portfolio, the relevancy of the period(s) being analyzed between the portfolio and the benchmark, knowing the difference between the securities and their concentration in a manager's portfolio vs. the benchmark and the potential that the data provided by the manager looked significantly different in periods before and after the performance snapshot(s) used for analysis. While the preceding considerations are not part of the AAA ranking model, GIMA's strives to evaluate other material and forward looking factors as part of the overall manager evaluation process. Factors such as but not limited to manager turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be suitable for all investors. For more information on AAA, please see the *Adverse Active AlphaSM: Adding Value Through Manager Selection* and *Adding Value to Fixed Income Manager Selection With Adverse Active AlphaSM* whitepapers. The whitepapers are available from your Financial Advisor or Private Wealth Advisor.

ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

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.

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. ADRs are typically listed on U.S. exchanges such as NYSE, AMEX and NASDAQ.

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.

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 – measures the degree to which the returns of two securities or indices are related. The range of possible correlations is between 1.0 and -1.0. Positive correlation indicates that returns tend to move in the same direction. Negative correlation indicates that returns tend to move in opposite directions. Zero correlation implies that there is no relationship between the securities' returns.

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 Historical – 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.

Historical EPS Growth – calculated by regressing over time the quarterly earnings per share for the past 20 quarters to determine the share's historical growth rate in earnings. The quarterly historical growth rate for each share is then annualized and the Historical EPS Growth shown in this report is the weighted average of these results.

WEALTH MANAGEMENT

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.

Long Term EPS Growth Rate – analyst consensus of expected annual increase in operating earnings per share over the company's next full business cycle - usually three to five years. The Long Term EPS Growth Rate for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

P/E - Forecast 12-Mo. – The price/earnings ratio for the stock based on the most recent closing price divided by the annual mean expected earnings for the current fiscal year (FY1 EPS forecast). P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

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.

R-Squared (R^2) – 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 R^2 is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R^2 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.

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.

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.

Important Disclosures

Report for Use Only in Investment Advisory Programs

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

The Global Investment Manager Analysis (GIMA) services Only Apply to Certain Investment Advisory Programs

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 Wealth Management). If you do not invest through one of these investment advisory programs, Morgan Stanley Wealth Management 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 Wealth Management. 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 Wealth Management 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 Wealth Management 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

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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 referenced in this report.

For mutual funds, the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance information, current to the most recent month-end, please contact the fund directly at the website set out on the cover page of this report.

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.

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 investment manager, Morgan Stanley Wealth Management or a third party service provider, and may be based on a representative account or a composite of accounts.

Securities holdings

Holdings are subject to change daily, so any securities discussed in this report may or may not be included in your portfolio if you invest in this investment product. Your portfolio may also include other securities in addition to or instead of any securities discussed in this report. Do not assume that any holdings mentioned were, or will be, profitable.

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. Besides the general risk of holding securities that may decline in value, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance, and potential leverage. Some funds also invest in foreign securities, which may involve currency risk.

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.

WEALTH MANAGEMENT

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 and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

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.

Conflicts of Interest

GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, MS&Co., managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs. Morgan Stanley Wealth Management, managers, MS&Co., and their affiliates receive compensation and fees in connection with these services. Morgan Stanley Wealth Management believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account.

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Schroders International Stock ADR

Benchmark: MSCI All Country World Ex-United States
March 31, 2018 (Q1)

Status: Focus List
Analyst: Anita Kharwadkar
Phone: 608-316-2080 Email: Anita.Kharwadkar@ms.com

Trailing Returns

	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2017	2016	2015	2014	2013	2012
Schroders International Stock ADR (Gross)	-0.21%	-0.21%	19.01%	7.26%	7.54%	5.66%	4.64%	29.43%	-1.75%	1.68%	-5.31%	22.11%	17.80%
Schroders International Stock ADR (Net)	-0.88%	-0.88%	15.74%	4.29%	4.53%	2.72%	1.70%	25.87%	-4.54%	-1.13%	-8.04%	18.80%	14.50%
MSCI AC World Index ex USA - Net Return	-1.18%	-1.18%	16.53%	6.18%	5.89%	4.26%	2.70%	27.19%	4.50%	-5.66%	-3.87%	15.29%	16.83%
Excess Return (Gross)	0.97%	0.97%	2.48%	1.08%	1.65%	1.40%	1.94%	2.24%	-6.25%	7.34%	-1.44%	6.82%	0.97%

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.

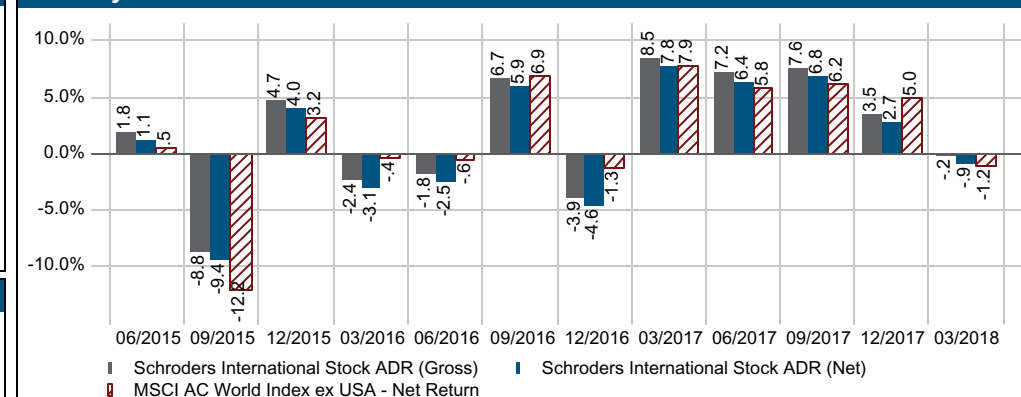
Strategy Description

The strategy seeks to invest in reasonably priced quality growth companies that demonstrate a sustainable competitive advantage. The team uses a bottom-up stock selection approach within a macroeconomic framework. The result is a high conviction, best ideas portfolio consisting of core holdings, along with opportunistic, shorter-term holdings.

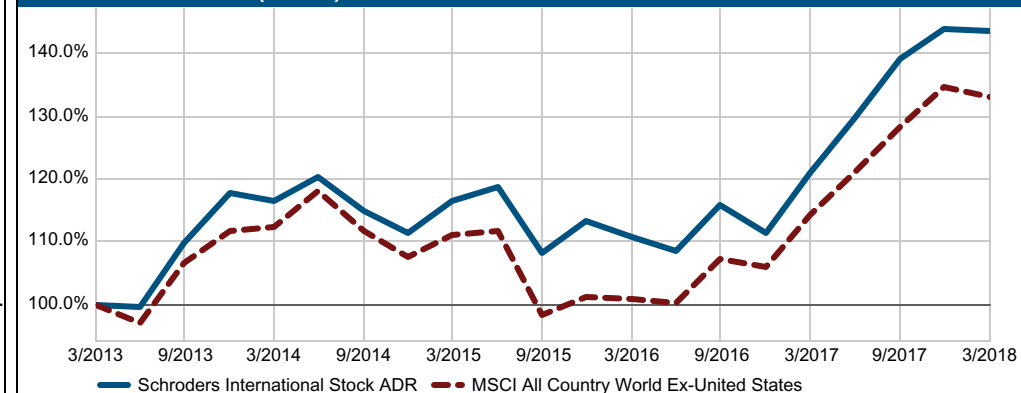
Performance Commentary

- The portfolio outperformed the MSCI All Country World Ex-United States for the quarter. Stock selection was positive and sector positioning was negative.
- The top contributing sectors were Information Technology, Consumer Discretionary, and Financials. The top detracting sectors were Materials, Health Care, and Industrials. From an industry perspective, Software, Personal Products, and Textiles Apparel & Luxury Goods added value, while Machinery, Pharmaceuticals, and Life Sciences Tools & Services detracted.
- From a country perspective, Japan, Canada, and Australia added value, while Switzerland, and Netherlands 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 tended to do better than companies with high 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.

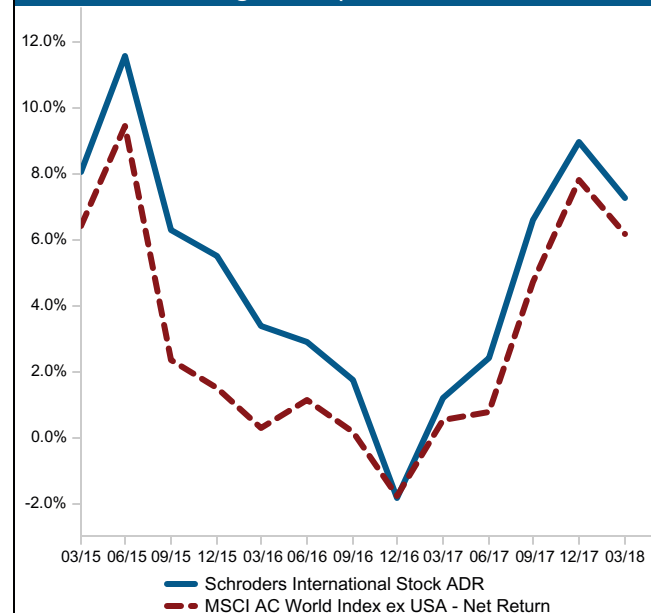
Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

Portfolio Characteristics

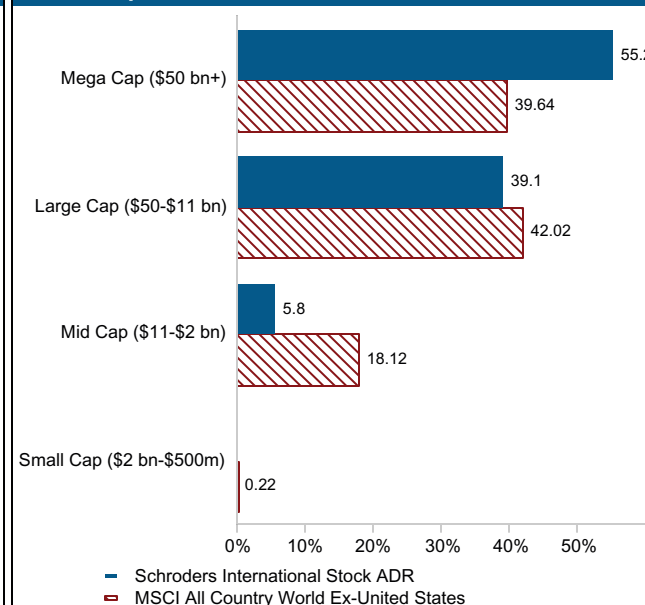
Portfolio Characteristics			Economic Sector Allocation				Regional Sector Allocation				Top 10 Holdings	
	Strategy	Bmk		Strategy	Bmk	Rel.		Strategy	Bmk	Rel.		% of Equity
# of Securities	53	1864	Consumer Discretionary	16.00	11.36	4.64	EMEA	--	3.98	-3.98	Nestle S.A. Sponsored ADR	3.10
Market Cap (\$M)	81,968	50,925	Consumer Staples	9.82	9.46	0.36	Europe	56.95	42.89	14.07	Taiwan Semiconductor Manufactu...	3.05
P/E - Trailing 12-Mo.	18.1	15.1	Energy	4.10	6.71	-2.61	Far East	8.96	18.02	-9.06	AIA Group Limited Sponsored AD...	2.89
Adj. P/E - trailing 12-Mo.	17.8	14.8	Financials	21.26	23.13	-1.87	Frontier Markets	--	0.03	-0.03	Total SA Sponsored ADR Class B	2.89
P/E - Forecast FY1*	16.0	13.7	Health Care	9.05	7.69	1.36	Latin America	2.21	3.08	-0.87	Alibaba Group Holding Ltd. Spo...	2.67
Price-to- Book	2.1	1.7	Industrials	12.00	11.77	0.23	North America	3.72	7.05	-3.33	Nintendo Co., Ltd. Un-sponsored...	2.67
Dividend Yield	2.14	2.96	Information Technology	12.60	11.83	0.77	Pacific	28.16	24.96	3.20	Diageo plc Sponsored ADR	2.66
Return on Equity	14.0	14.7	Materials	8.68	8.00	0.69	Total	100.00	100.00		Tencent Holdings Ltd. Unsponso...	2.58
EPS Growth - Forecast*	16.0	13.5	Real Estate	--	3.18	-3.18	Developed	88.83	74.90	13.94	Schneider Electric SE Unsponso...	2.30
EPS Growth - Hist. 5 Year	7.7	9.2	Telecommunication Services	6.50	3.92	2.58	Emerging	11.17	25.10	-13.94	LVMH Moet Hennessy Louis Vuitt...	2.23
Active Share	87.0	--	Utilities	--	2.96	-2.96					Total	27.04

*Forecasts based on analysts' consensus

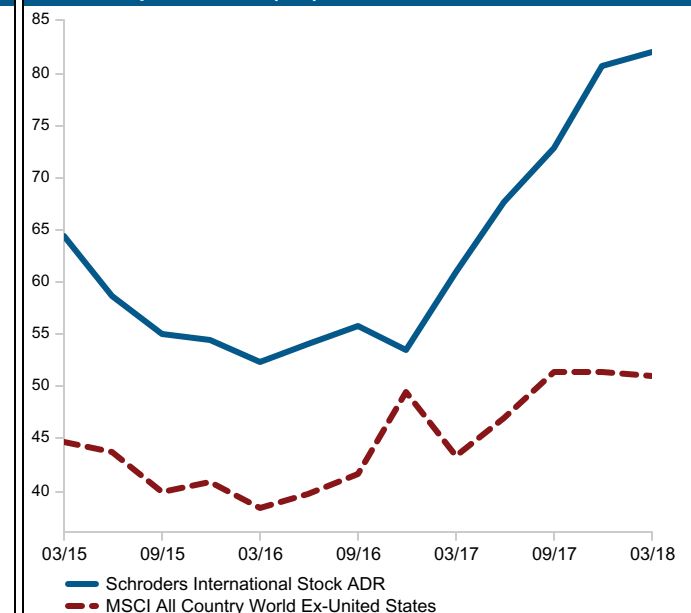
Performance Rolling 3-Year (Annualized - Gross of Fees)



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	4.64	0.01	0.45	0.46	Consumer Discretionary	4.64	0.01	0.45	0.46
Consumer Staples	0.36	-0.01	0.08	0.07	Consumer Staples	0.36	-0.01	0.08	0.07
Energy	-2.61	0.01	0.14	0.15	Energy	-2.61	0.01	0.14	0.15
Financials	-1.87	0.00	0.16	0.16	Financials	-1.87	0.00	0.16	0.16
Health Care	1.36	0.03	-0.31	-0.29	Health Care	1.36	0.03	-0.31	-0.29
Industrials	0.23	-0.03	-0.20	-0.23	Industrials	0.23	-0.03	-0.20	-0.23
Information Technology	0.77	0.01	0.47	0.47	Information Technology	0.77	0.01	0.47	0.47
Materials	0.69	-0.02	-0.34	-0.36	Materials	0.69	-0.02	-0.34	-0.36
Real Estate	-3.18	0.01	--	0.01	Real Estate	-3.18	0.01	--	0.01
Telecommunication Services	2.58	-0.08	-0.07	-0.15	Telecommunication Services	2.58	-0.08	-0.07	-0.15
Utilities	-2.96	-0.08	-0.13	-0.21	Utilities	-2.96	-0.08	-0.13	-0.21
Total	--	-0.17	0.24	0.07	Total	--	-0.17	0.24	0.07
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	-3.98	-0.01	-0.04	-0.05	EMEA	-3.98	-0.01	-0.04	-0.05
Europe	14.07	-0.11	-0.88	-0.99	Europe	14.07	-0.11	-0.88	-0.99
Far East	-9.06	-0.16	0.45	0.29	Far East	-9.06	-0.16	0.45	0.29
Frontier Markets	-0.03	-0.01	--	-0.01	Frontier Markets	-0.03	-0.01	--	-0.01
Latin America	-0.87	-0.05	-0.15	-0.21	Latin America	-0.87	-0.05	-0.15	-0.21
North America	-3.33	0.06	-0.23	-0.18	North America	-3.33	0.06	-0.23	-0.18
Pacific	3.20	0.02	1.19	1.21	Pacific	3.20	0.02	1.19	1.21
Total	--	-0.27	0.34	0.07	Total	--	-0.27	0.34	0.07

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.
Nintendo Co., Ltd. Unspn...	2.48	0.55	Japan	16.68	0.87	Nintendo Co., Ltd. Unspn...	2.48	0.55	Japan	16.68	0.87
Shiseido Company,Limited...	1.84	0.46	Taiwan	2.41	0.29	Shiseido Company,Limited...	1.84	0.46	Taiwan	2.41	0.29
Taiwan Semiconductor Manu...	2.41	0.29	Italy	2.09	0.15	Taiwan Semiconductor Manu...	2.41	0.29	Italy	2.09	0.15
Alibaba Group Holding Ltd...	2.11	0.23	Belgium	1.14	0.13	Alibaba Group Holding Ltd...	2.11	0.23	Belgium	1.14	0.13
Elekta AB Un-sponsored ADR...	0.92	0.22	Singapore	2.09	0.13	Elekta AB Un-sponsored ADR...	0.92	0.22	Singapore	2.09	0.13

Bottom Contributors to Performance

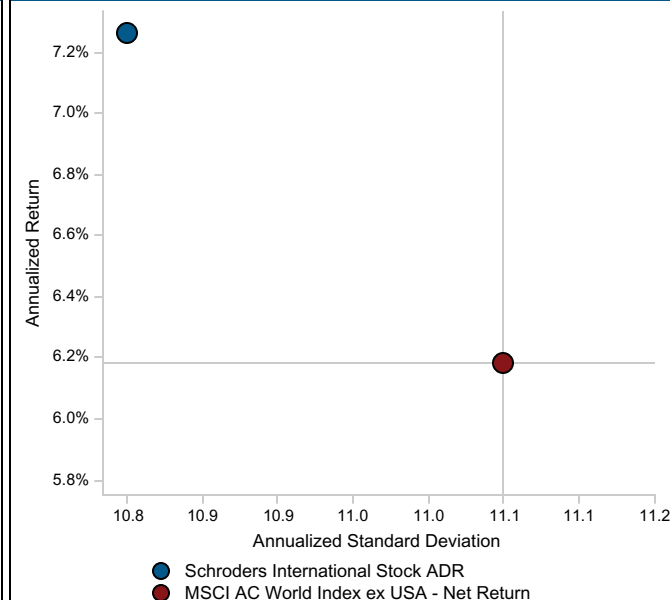
Current Quarter			Current Quarter			Year to Date			Year to Date		
	Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.		Avg. Weight	Wtd. Contrib.
Norsk Hydro ASA Sponsored...	1.19	-0.30	Switzerland	9.13	-0.85	Norsk Hydro ASA Sponsored...	1.19	-0.30	Switzerland	9.13	-0.85
Nestle S.A. Sponsored ADR	3.30	-0.28	United Kingdom	10.66	-0.56	Nestle S.A. Sponsored ADR	3.30	-0.28	United Kingdom	10.66	-0.56
Vodafone Group Plc Sponso...	2.25	-0.27	Germany	13.77	-0.48	Vodafone Group Plc Sponso...	2.25	-0.27	Germany	13.77	-0.48
Bayer AG Sponsored ADR	2.48	-0.26	Norway	3.03	-0.21	Bayer AG Sponsored ADR	2.48	-0.26	Norway	3.03	-0.21
Lonza Group AG Unspansore...	1.43	-0.23	[Unassigned]	1.50	-0.20	Lonza Group AG Unspansore...	1.43	-0.23	[Unassigned]	1.50	-0.20

Portfolio Performance and Risk Statistics (Gross of Fees)

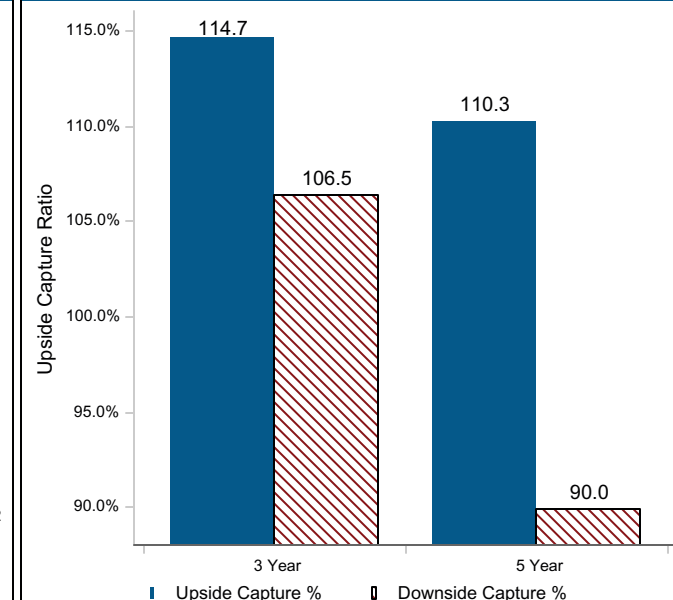
Risk Statistics vs. Benchmark

	3-Year	5-Year
Alpha	1.5%	2.0%
Beta	0.9	0.9
R2	89.8%	90.1%
Tracking Error	3.5%	3.3%
Information Ratio	0.3	0.5
Batting Average	58.3%	65.0%
Up Capture Ratio	114.7%	110.3%
Down Capture Ratio	106.5%	90.0%
Standard Deviation	10.8	10.3
Standard Deviation (Bmk)	11.0	10.6
Sharpe Ratio	0.7	0.7

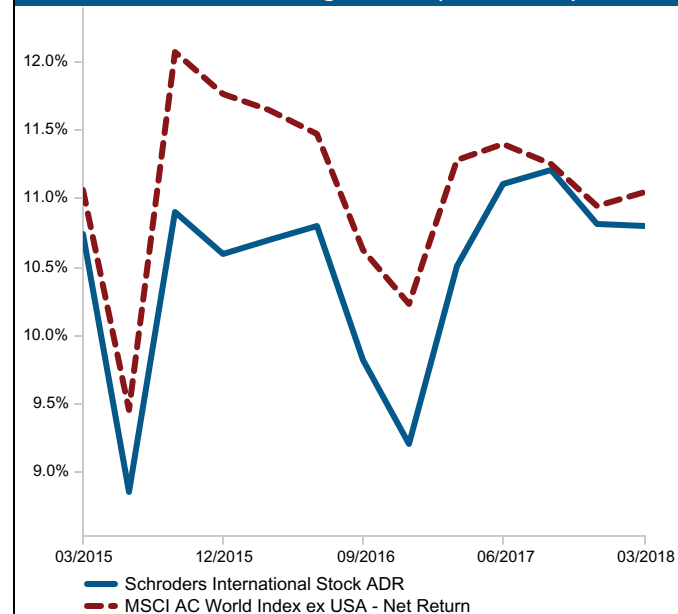
Risk-Reward - 3 Year (Annualized)



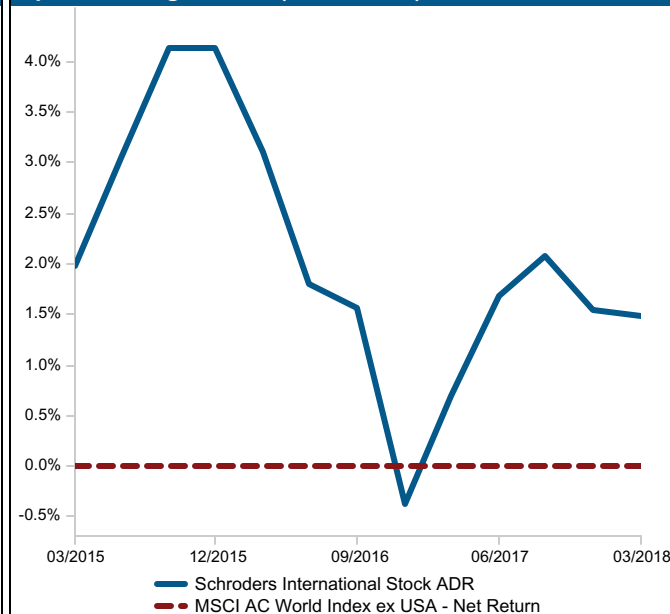
Up/Down Capture Ratio vs. the Benchmark



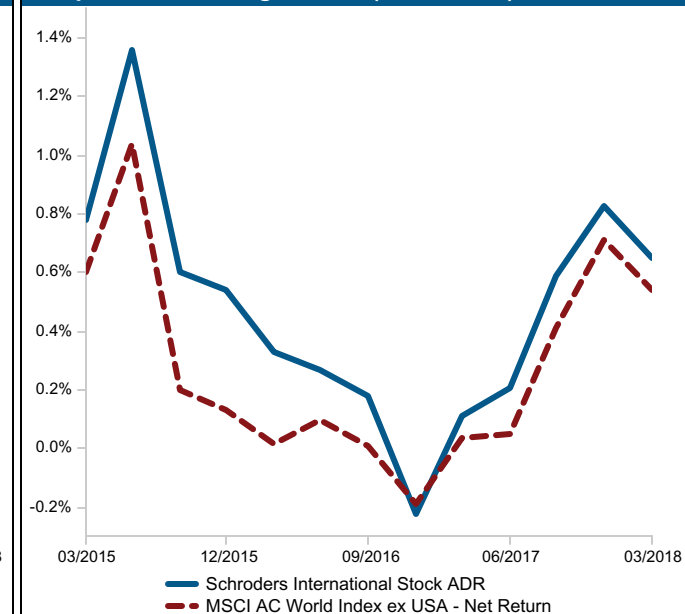
Standard Deviation - Rolling - 3 Year (Annualized)



Alpha - Rolling - 3 Year (Annualized)



Sharpe Ratio - Rolling - 3 Year (Annualized)



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 attributable 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 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.

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 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.

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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