Town of Golden Beach General Employees' Pension Plan

Emerging Markets Manager Search Summary

Information as of September 30, 2020

	Brandes Emerging Mkts Value ADR	Lazard Emerging Mkts Core ADR	Martin Currie Emerging Markets	Neuberger Berman Emerging Markets ADR	MSCI Emerging Markets (Net)
GIMA Status	***Approved***	***Focus***	***Focus***	***Approved***	
Forecasted P/E (1 Year)	12.8	19.9	18.4	20.4	16.1
vs. Index	Lower	Higher	Higher	Higher	
Market Cap ($M)	$53.3 Billion	$210.2 Billion	$302.2 Billion	$171.9 Billion	$114.4 Billion
vs. Index	Lower	Higher	Higher	Higher	
Security Selection	Bottom-Up	Bottom-Up	Bottom-Up	Bottom-Up	
# of Securities	56	40	23	55	1,387
Invest in ETFs	Yes (typically none)	No	Yes (10% Maximum)	Yes	
Maximum Position Size	5%	6% at Purchase	10%	5% or Index + 500bps	
Typical Cash Position	< 5% (20% Maximum)	< 2% (5% Maximum)	< 2% (5% Maximum)	< 5% (15% Maximum)	
FEES	0.40%	0.40%	0.50%	0.35%	
RISK **(5 year)**					
Standard Deviation	21.01	19.70	20.10	18.46	18.58
PERFORMANCE					
Equity					
1 year	(21.48)	10.73	19.65	6.36	10.54
3 year	(10.41)	3.06	6.29	1.93	2.42
5 year	2.54	10.59	14.19	9.89	8.97
7 year	(2.89)	N/A	6.52	4.77	3.74
OTHER IMPORTANT CONSIDERATIONS					
Year Firm Established	1974	1970	1881	1939	
Who Est. Performance	Team	Team	Team	Team	
Commitment	Owners/Well Paid	Well Paid	Well Paid	Well Paid	
Total Assets	$23.6B Firm/$1.5B Strategy	$202.1B Firm/$804.1M Strategy	$12.0B Firm/$3.1B Strategy	$330.0B Firm/$503M Strategy	
Total PMs & Analysts	29	75	7	6	
Pooled vs. Separate / ETF	Separate	Separate	Separate	Separate	

Performance calculated Gross of Fees. Please refer to Manager Profile reports included herein with the qualitative research reports for net-of-fee performance data.

Sources: Informa PSN, Zephyr StyleADVISOR, and Morgan Stanley Global Investment Manager Analysis team.

Graystone Consulting

EMERGING MARKETS SEARCH

Prepared for:

Town of Golden Beach
General Employees' Pension Plan

November 2020

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Important Disclosures

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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 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.

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).

Important Notes About Performance

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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 may be based on net asset value (NAV), market price (MKT) or both. The Morningstar profile that must accompany this report shows performance based on both NAV and 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.

Important Notes About Performance (Cont'd)

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

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Managers shown in this report may be approved managers offered in some or all of Morgan Stanley's Consulting and Evaluation 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) Manager participates in the Select UMA program, performance is Gross of advisory fees
- (n) Manager participates in the Select UMA program, performance is Net of advisory fees
- (C) Manager participates in the Consulting and Evaluation Services program, performance is Gross of advisory fees
- (Cn) Manager participates in the Consulting and Evaluation Services program, performance is Net of advisory fees

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.

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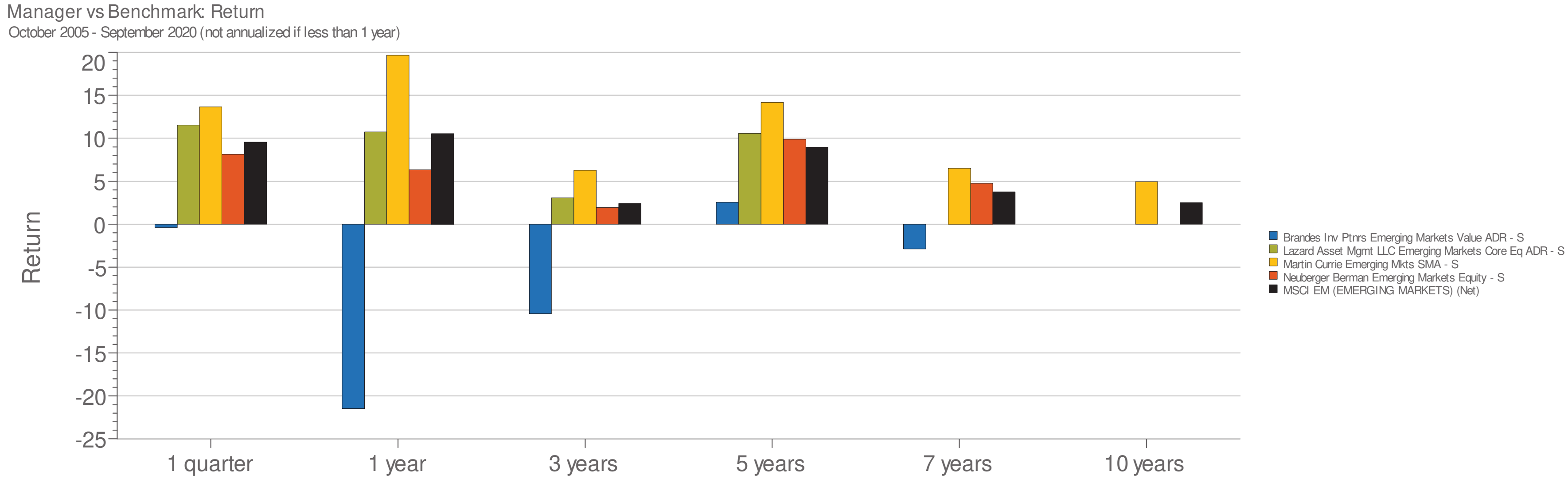
Quantitative Analysis

Trailing Periods Return Analysis

Graystone Consulting

Zephyr StyleADVISOR

Zephyr StyleADVISOR: MSSB - Tampa, FL



Manager vs Benchmark: Return

October 2005 - September 2020 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	10 years
Brandes Inv Ptnrs Emerging Markets Value ADR - S	-0.41%	-21.48%	-10.41%	2.54%	-2.89%	N/A
Lazard Asset Mgmt LLC Emerging Markets Core Eq ADR - S	11.53%	10.73%	3.06%	10.59%	N/A	N/A
Martin Currie Emerging Mkts SMA - S	13.64%	19.65%	6.29%	14.19%	6.52%	4.94%
Neuberger Berman Emerging Markets Equity - S	8.11%	6.36%	1.93%	9.89%	4.77%	N/A
MSCI EM (EMERGING MARKETS) (Net)	9.56%	10.54%	2.42%	8.97%	3.74%	2.50%

Calendar-Year Return Analysis

Graystone Consulting

Calendar Year Return

As of September 2020

	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Brandes Inv Ptnrs Emerging Markets Value ADR - S	-27.15%	14.32%	-15.37%	27.33%	25.34%	-22.78%	-9.27%	9.40%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lazard Asset Mgmt LLC Emerging Markets Core Eq ADR - S	-2.24%	23.59%	-14.94%	43.31%	8.42%	-7.42%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Martin Currie Emerging Mkts SMA - S	5.26%	28.18%	-17.56%	49.14%	12.54%	-12.66%	-6.62%	-4.07%	21.55%	-15.27%	21.80%	62.77%	-55.63%	41.22%	37.42%
Neuberger Berman Emerging Markets Equity - S	-3.32%	21.44%	-14.82%	35.68%	10.92%	-9.41%	-1.60%	5.96%	16.73%	N/A	N/A	N/A	N/A	N/A	N/A
MSCI EM (EMERGING MARKETS) (Net)	-1.16%	18.42%	-14.57%	37.28%	11.19%	-14.92%	-2.19%	-2.60%	18.22%	-18.42%	18.88%	78.51%	-53.33%	39.39%	32.17%

5-Year Rolling Periods Return Analysis

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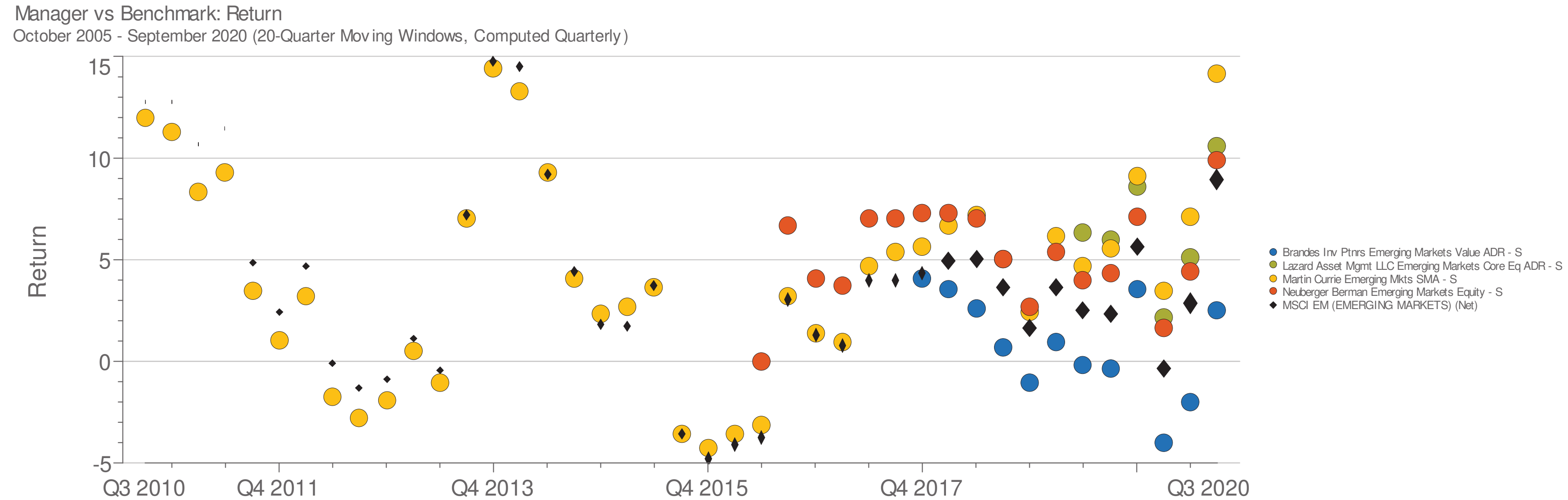

Manager vs Benchmark: Return

October 2005 - September 2020 (20-Quarter Moving Windows, Computed Quarterly)

	Sep 2020	Sep 2019	Sep 2018	Sep 2017	Sep 2016	Sep 2015	Sep 2014	Sep 2013	Sep 2012	Sep 2011	Sep 2010
Brandes Inv Ptnrs Emerging Markets Value ADR - S	2.54%	-0.36%	0.67%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lazard Asset Mgmt LLC Emerging Markets Core Eq ADR - S	10.59%	5.95%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Martin Currie Emerging Mkts SMA - S	14.19%	5.57%	5.07%	5.34%	3.21%	-3.55%	4.06%	7.00%	-2.80%	3.47%	11.95%
Neuberger Berman Emerging Markets Equity - S	9.89%	4.34%	5.05%	7.06%	6.68%	N/A	N/A	N/A	N/A	N/A	N/A
MSCI EM (EMERGING MARKETS) (Net)	8.97%	2.33%	3.61%	3.99%	3.03%	-3.58%	4.42%	7.22%	-1.28%	4.87%	12.74%

5-Year Rolling Periods Alpha

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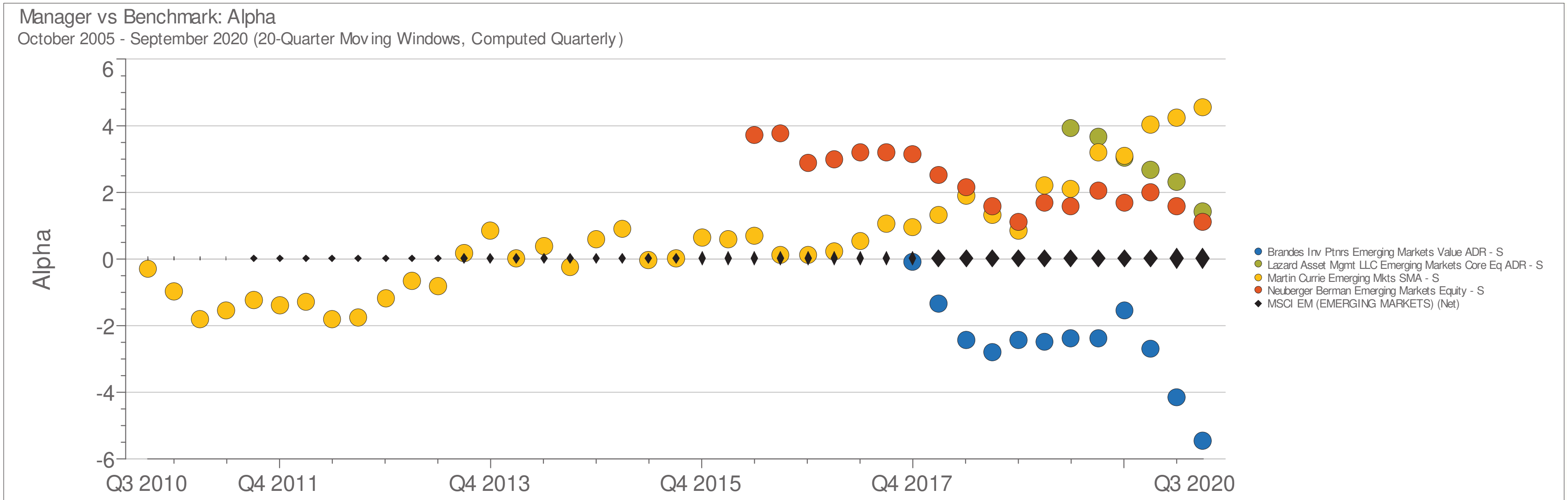

Manager vs Benchmark: Alpha

October 2005 - September 2020 (20-Quarter Moving Windows, Computed Quarterly)

	Sep 2020	Sep 2019	Sep 2018	Sep 2017	Sep 2016	Sep 2015	Sep 2014	Sep 2013	Sep 2012	Sep 2011	Sep 2010
Brandes Inv Ptnrs Emerging Markets Value ADR - S	-5.48%	-2.37%	-2.80%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lazard Asset Mgmt LLC Emerging Markets Core Eq ADR - S	1.42%	3.67%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Martin Currie Emerging Mkts SMA - S	4.57%	3.21%	1.30%	1.09%	0.12%	0.02%	-0.24%	0.17%	-1.74%	-1.26%	-0.31%
Neuberger Berman Emerging Markets Equity - S	1.13%	2.06%	1.56%	3.22%	3.77%	N/A	N/A	N/A	N/A	N/A	N/A
MSCI EM (EMERGING MARKETS) (Net)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Risk/Return Analysis – 3 Years

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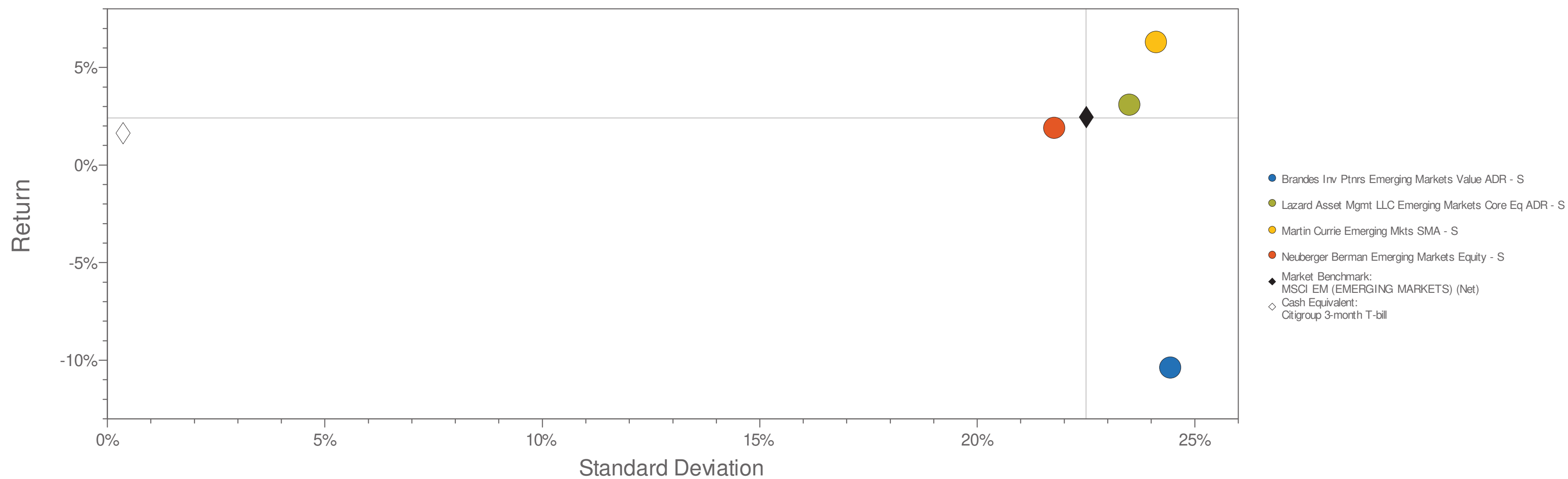
Risk / Return
October 2017 - September 2020 (Single Computation)



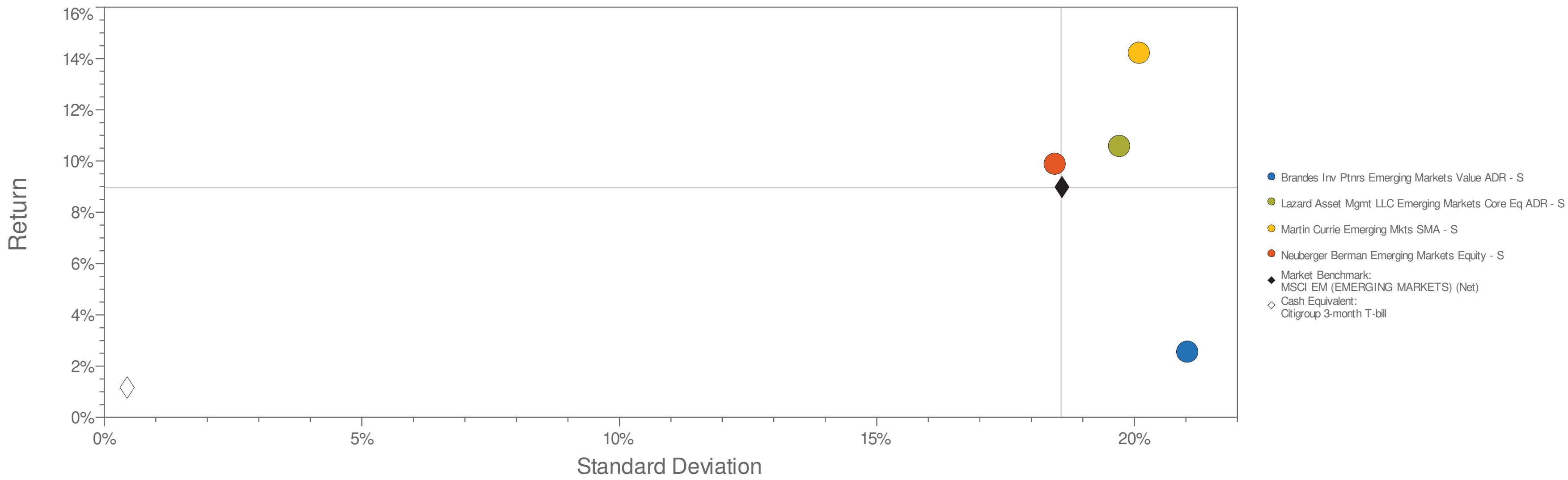
Return & Risk Analysis
October 2017 - September 2020: Summary Statistics

	Return	Excess Return vs. Market	Standard Deviation	Beta vs. Market	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Sharpe Ratio	Sortino Ratio (MAR = 0.00%)	R-Squared vs. Market
Brandes Inv Ptnrs Emerging Markets Value ADR - S	-10.41%	-12.83%	24.45%	1.01	-37.73%	56.01%	128.14%	-11.88%	-0.49	-0.48	86.88%
Lazard Asset Mgmt LLC Emerging Markets Core Eq ADR - S	3.06%	0.64%	23.50%	1.03	-24.69%	112.56%	106.66%	0.71%	0.06	0.19	98.18%
Martin Currie Emerging Mkts SMA - S	6.29%	3.87%	24.11%	1.05	-21.95%	124.62%	100.37%	3.83%	0.19	0.43	96.79%
Neuberger Berman Emerging Markets Equity - S	1.93%	-0.49%	21.78%	0.96	-23.54%	94.39%	97.86%	-0.43%	0.01	0.13	98.34%
MSCI EM (EMERGING MARKETS) (Net)	2.42%	0.00%	22.50%	1.00	-23.79%	100.00%	100.00%	0.00%	0.03	0.16	100.00%

Risk/Return Analysis – 5 Years

Graystone Consulting

Risk / Return
October 2015 - September 2020 (Single Computation)



Return & Risk Analysis

October 2015 - September 2020: Summary Statistics

	Return	Excess Return vs. Market	Standard Deviation	Beta vs. Market	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Sharpe Ratio	Sortino Ratio (MAR = 0.00%)	R-Squared vs. Market
Brandes Inv Ptnrs Emerging Markets Value ADR - S	2.54%	-6.43%	21.01%	1.02	-37.73%	78.53%	118.22%	-5.50%	0.07	0.15	81.29%
Lazard Asset Mgmt LLC Emerging Markets Core Eq ADR - S	10.59%	1.62%	19.70%	1.04	-24.69%	114.71%	107.34%	1.38%	0.48	0.84	95.40%
Martin Currie Emerging Mkts SMA - S	14.19%	5.22%	20.10%	1.06	-21.95%	129.92%	101.25%	4.50%	0.65	1.22	96.03%
Neuberger Berman Emerging Markets Equity - S	9.89%	0.92%	18.46%	0.97	-23.54%	107.44%	103.10%	1.18%	0.47	0.82	95.04%
MSCI EM (EMERGING MARKETS) (Net)	8.97%	0.00%	18.58%	1.00	-23.79%	100.00%	100.00%	0.00%	0.42	0.75	100.00%

Risk/Return Analysis – 7 Years

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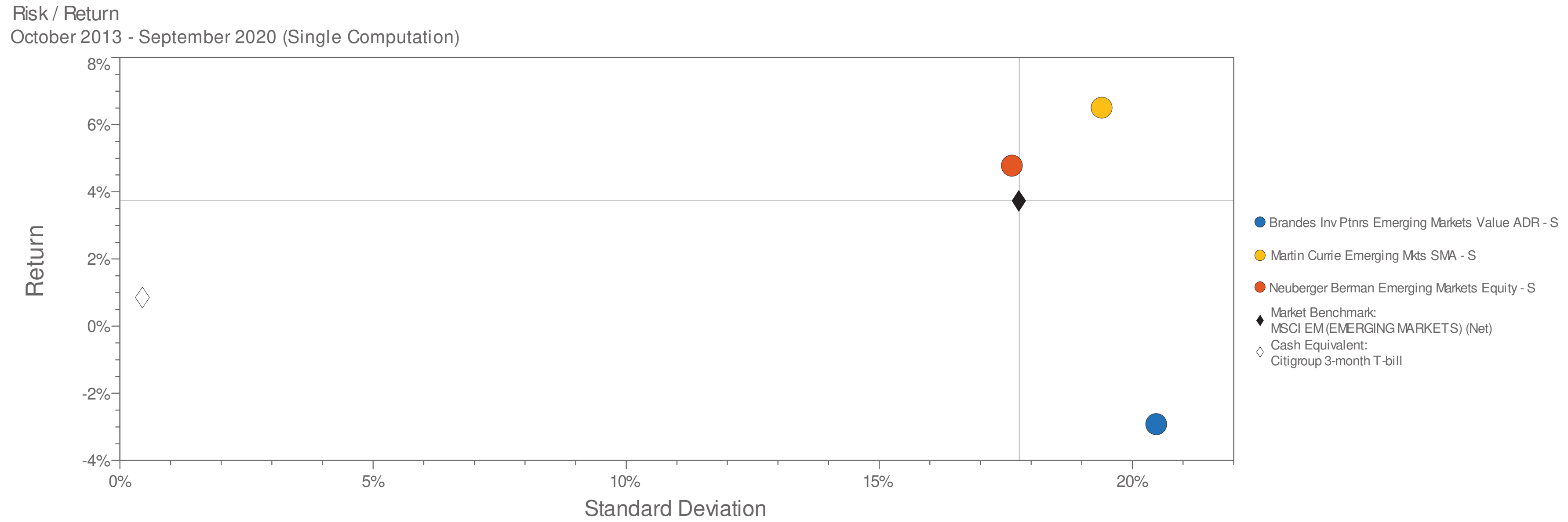


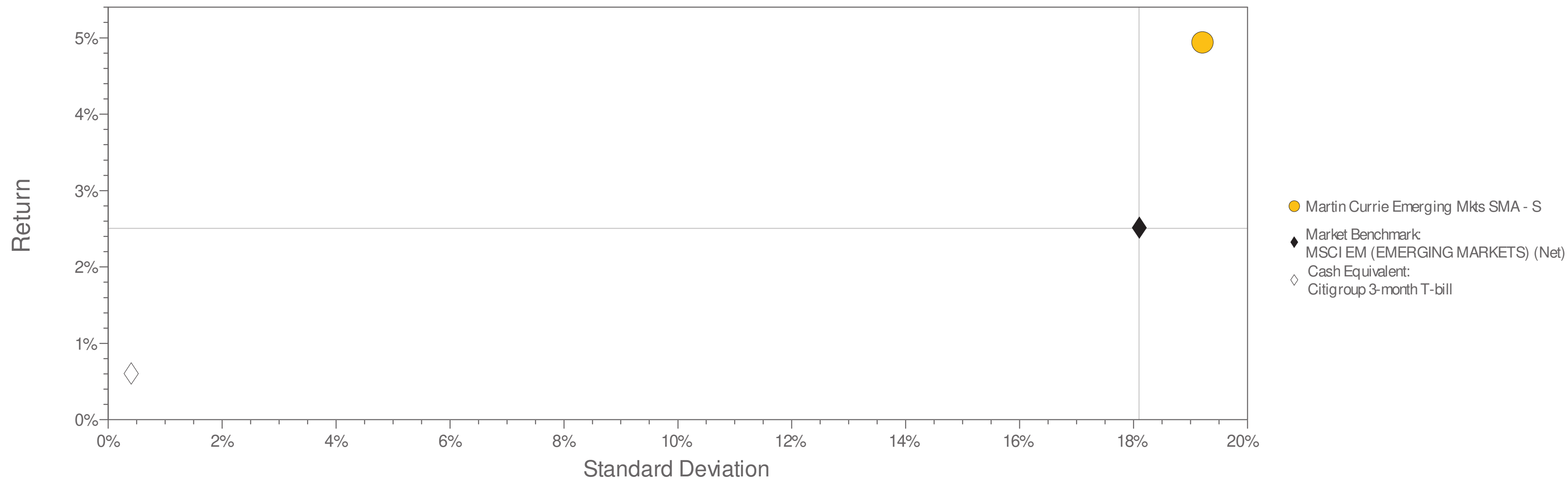
Return & Risk Analysis

October 2013 - September 2020: Summary Statistics

	Return	Excess Return vs. Market	Standard Deviation	Beta vs. Market	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Sharpe Ratio	Sortino Ratio (MAR = 0.00%)	R-Squared vs. Market
Brandes Inv Ptnrs Emerging Markets Value ADR - S	-2.89%	-6.64%	20.48%	1.05	-37.73%	78.76%	125.49%	-6.03%	-0.18	-0.17	83.09%
Martin Currie Emerging Mkts SMA - S	6.52%	2.77%	19.38%	1.07	-24.29%	126.13%	105.90%	2.60%	0.29	0.53	95.56%
Neuberger Berman Emerging Markets Equity - S	4.77%	1.02%	17.60%	0.97	-23.54%	108.17%	100.88%	1.14%	0.22	0.39	95.36%
MSCI EM (EMERGING MARKETS) (Net)	3.74%	0.00%	17.77%	1.00	-23.79%	100.00%	100.00%	0.00%	0.16	0.30	100.00%

Risk/Return Analysis – 10 Years

Risk / Return
October 2010 - September 2020 (Single Computation)



Return & Risk Analysis

October 2010 - September 2020: Summary Statistics

	Return	Excess Return vs. Market	Standard Deviation	Beta vs. Market	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Sharpe Ratio	Sortino Ratio (MAR = 0.00%)	R-Squared vs. Market
Martin Currie Emerging Mkts SMA - S	4.94%	2.44%	19.22%	1.04	-24.74%	120.22%	102.09%	2.38%	0.23	0.39	96.32%
MSCI EM (EMERGING MARKETS) (Net)	2.50%	0.00%	18.10%	1.00	-23.90%	100.00%	100.00%	0.00%	0.10	0.19	100.00%

Style Analysis

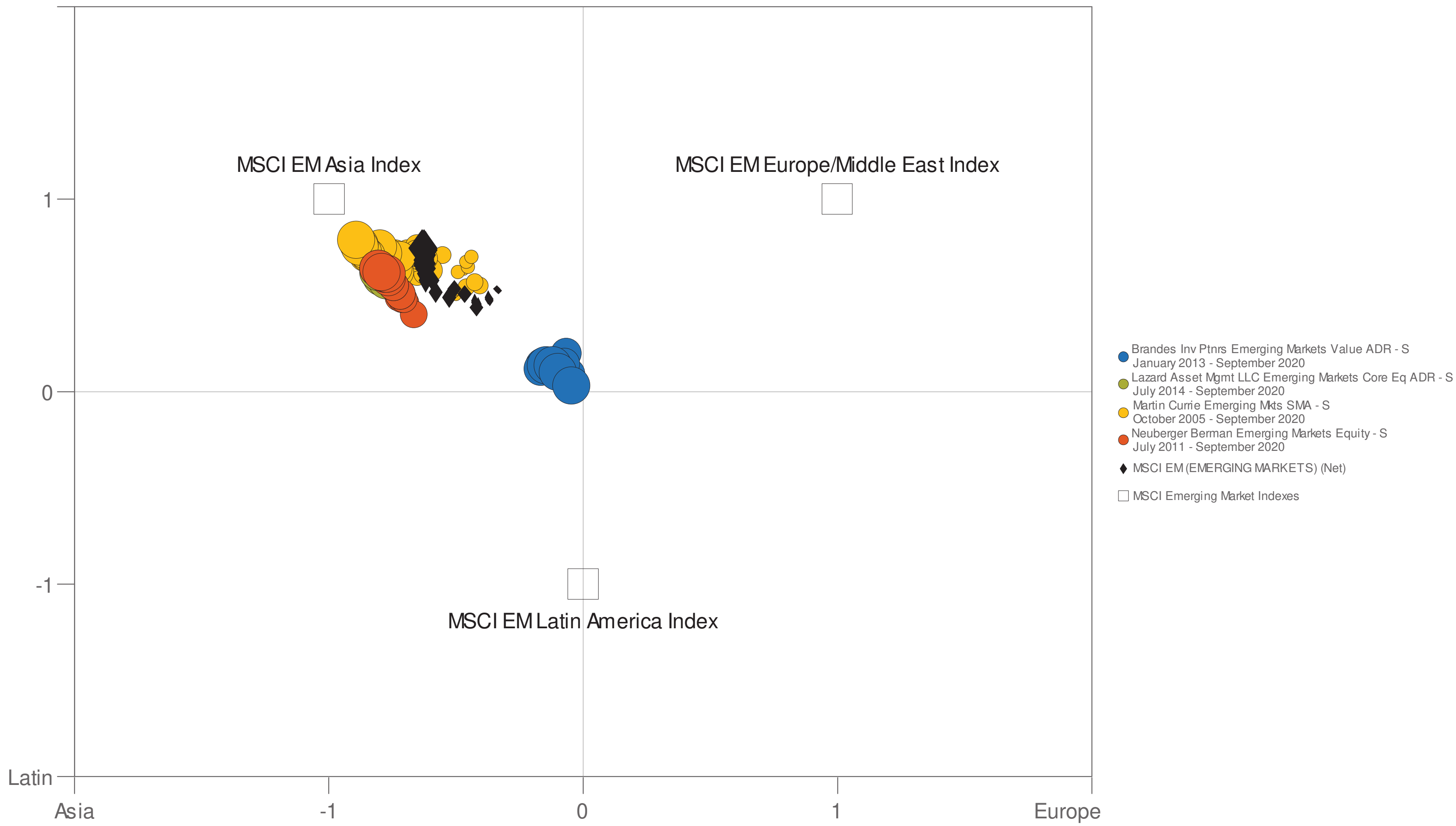
Graystone Consulting

Zephyr StyleADVISOR

Zephyr StyleADVISOR: MSSB - Tampa, FL

Manager Style

October 2005 - September 2020 (20-Quarter Moving Windows, Computed Quarterly)



Important Notes About This Report

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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 OR SELECT UMA: Each investment manager included in this report that participates in one or more of the Consulting and Evaluation 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 Select UMA program (if that investment manager was in the Select UMA 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 Select UMA 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).

Important Notes About This Report (Cont'd)

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There may be differences between the performance in the different forms of the Select UMA 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 Consulting and Evaluation 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 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.

Important Notes About This Report (Cont'd)

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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.

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 and Select UMA.
- 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.

Important Notes About This Report (Cont'd)

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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.

SHARE CLASSES OF FUNDS SHOWN IN THIS REPORT: The share class of a fund shown in this report may differ from the share class available in any Morgan Stanley Wealth Management investment advisory program in which you invest. The performance of the share class in which you invest may differ from that of the share class shown in this report.

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

SOURCES OF INFORMATION: Although the statements of fact in this report have been obtained from, and are based on, sources that Morgan Stanley believes to be reliable, Morgan Stanley makes no representation as to the accuracy or completeness of the information from sources outside Morgan Stanley. Any such information may be incomplete and you should not use it as the sole basis for investment decisions.

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.

Important Notes About This Report (Cont'd)

Graystone Consulting

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.

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.

Important Notes About This Report (Cont'd)

Graystone Consulting

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 program, 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.

Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies whose interests (limited partnership or limited liability company units) are generally traded on securities exchanges like shares of common stock. Investment in MLPs entails different risks, including tax risks, than is the case for other types of investments. Currently, most MLPs operate in the energy, natural resources or real estate sectors and are subject to the risks generally applicable to companies in those sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Depending on the ownership vehicle, MLP interests are subject to varying tax treatment.

Glossary

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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.

ANNUALIZED EXCESS RETURN: Excess return represents the difference between the manager's return and the return of a benchmark for that manager. Annualized excess return is calculated by taking the annualized return of the original series and forming the difference between the two. A positive annualized excess return implies that the manager outperformed the benchmark over the time period shown.

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.

Glossary (Cont'd)

CORRELATION: Statistical method to measure how closely related the variances of two series are. Assets that are highly correlated would be expected to react in similar ways to changing market conditions.

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

CUMULATIVE EXCESS RETURN: Excess return represents the difference between the manager's return and the return of a benchmark for that manager. Cumulative excess return is calculated by taking the cumulative return of the original series and forming the difference between the two. A positive cumulative excess return implies that the manager outperformed the benchmark over the time period shown.

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).

DOWNSIDE DEVIATION: Similar to Standard Deviation, but Downside Deviation captures the range of expected returns only on the down side [when the returns fall below the minimum acceptable return (MAR)].

DRAWDOWN (MAXIMUM DRAWDOWN): The Maximum loss (compounded, not annualized) that the manager incurred during any sub-period of the time period shown.

- DRAWDOWN BEGIN DATE: the first date of the sub-period used to calculate the maximum drawdown
- DRAWDOWN END DATE: The last date of the sub period used to calculate the maximum drawdown
- DRAWDOWN LENGTH: The number of periods (months or quarters depending on the periodicity of the data) the sub-period used to calculate the maximum drawdown
- DRAWDOWN RECOVERY DATE: Date at which the compounded returns regain the peak level that was reached before the drawdown began
- DRAWDOWN RECOVERY LENGTH: Number of periods it takes to reach the recovery level from maximum drawdown end date

Glossary (Cont'd)

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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.

GAIN TO LOSS RATIO: Divides the average gain in an up period by the average loss in a down period. A higher Gain to Loss Ratio is more favorable.

HIGH WATER MARK: The High Water Mark represents the peak level of the manager's return, as represented by the peak of the cumulative return series.

- HIGH WATER MARK DATE: The date which the High Water Mark was reached.
- UNDER WATER LOSS: Loss incurred between the high water mark date and the end of the period analyzed
- UNDER WATER LENGTH: Length of the time interval that begins with the high water mark and ends with the analysis period
- TO HIGH WATER MARK: The percentage of gain that the manager/fund needs to regain the peak level of the cumulative return series

INFORMATION RATIO: Measures the active return of the manager divided by the manager's active risk. Active return is the annualized differences of the manager and the benchmark index, while active risk is measured by tracking error. 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 of the benchmark return.

MAR: Stands for "Minimum Acceptable Return." This represents the lowest return possible that could be considered a successful result of the investment. In most cases, the MAR will either be defined as 0 (meaning no negative return) or as the return of a cash benchmark (meaning the investment had a higher return that simply keeping the investment amount in the relatively safe investment of money market funds). Please refer to the specific chart/statistic to see the specific MAR used in the illustration.

Glossary (Cont'd)

MANAGER STYLE (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 (the "Style Basis"). 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 calculation procedure that finds the combination of selected indices that best tracks (i.e. that has the highest correlation to) a given manager's return series. This allows the advisor to capture an accurate picture of the investment style of the manager without viewing the underlying holdings.

OMEGA: A measure of volatility designed to capture the entire return distribution (useful for investments that do not have normal return distributions), the Omega is tied to a MAR (see above) and shows the ratio of the entire upside performance to the entire downside, with the MAR representing the dividing line between upside and downside. (e.g. If MAR = 0.00%, any positive return is captured in the upside and any negative return is captured in the downside).

PAIN INDEX: Represents the frequency, the depth, and the width of the manager/fund's drawdowns. The Pain Index captures the information for every period in which the manager/fund is negative. A higher Pain Index indicates that the manager/fund had a more negative result when considering not just the depth (lowest return) but also the frequency of negative returns (frequency) and the amount of time that the return remained negative (width).

PAIN RATIO: A risk/return ratio which uses the Pain Index as the measure of risk. The higher the Pain Ratio, the better the risk-adjusted return of the portfolio.

ROLLING WINDOW: Indicates that the chart or statistic was evaluated using periodic smaller windows of data on a rolling basis. As an example, a 20 Quarter Rolling Window (Annual Roll) over a 10 year period indicates that 5 year (20 quarter) periods of time were evaluated from the start date, moving forward one year at a time, for the duration of the 10 year period, resulting in 5 "windows". Evaluating data this way allows us to remove end point bias and determine a measure of consistency in performance.

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.

Glossary (Cont'd)

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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 (Citigroup 3-month 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.

SINGLE COMPUTATION: For a single computation chart, StyleADVISOR calculates the information over the entire time period shown as a single data point. AS an example, in a chart showing 10 years of performance, a "Single Computation" would represent the statistic shown over the entire 10 year window.

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 BASIS: A set of indices that represent the broad asset category being utilized. The Style Basis is used in the equation that calculates the Manager Style (see definition). The "Manager Style" chart shows the specific benchmarks utilized in the Style Basis. The following Style Bases would be appropriate for the asset classes shown below:

- Domestic Equity: Russell Generic Corners; Russell 6 Way Style basis; S&P Pure Style Basis
- International Equity: MSCI Regional Style Basis; MSCI World Ex USA Style Basis; MSCI International Equity Style Basis; S&P Regional International Indexes, S&P International 4 Way Style Basis
- Global Equity: MSCI World Style Basis; MSCI World Regional Indexes; MSCI Global Equity Style Basis
- Fixed income: Citigroup Corporate Bond Indexes; BofA Merrill Lynch Fixed Income Indexes; Citigroup Govt Fixed Income Indexes; Global Bond Indexes

STYLE BENCHMARK: A unique benchmark calculated for each manager/fund based on the Returns Based Style Analysis described above. The "Asset Allocation" chart in Zephyr shows the specific weightings used for the Style Benchmark for each manager or fund.

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 zero or 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.

Graystone Consulting

Qualitative Research

Morgan Stanley

WEALTH MANAGEMENT

Global Investment Manager Analysis

Brandes Emerging Markets Value ADR

Status: Approved
Investment Style: Emerging Markets Equities
Benchmark: MSCI Emerging Markets
September 30, 2020 (Q3)

Strategy Description
The strategy is a value-oriented process that looks for companies selling at a deep discount to estimated intrinsic value. The team attempts to purchase companies that are considered out-of- favor and trading at a discount in seeking to add value over time.

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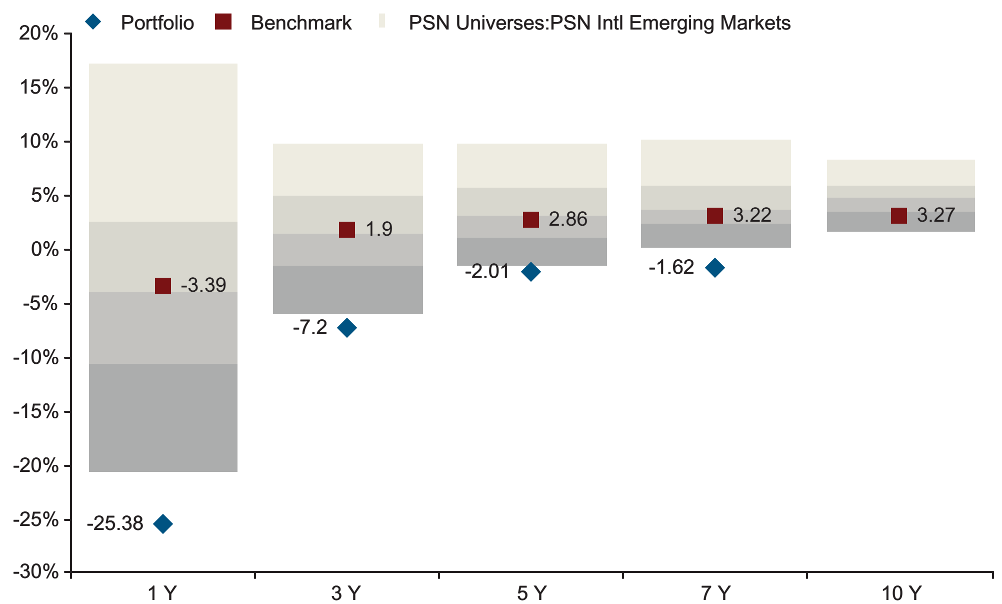
Trailing Returns

	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2019	2018	2017	2016	2015	2014
Brandes Emerging Markets Value ADR (Gross)	-0.41%	-27.15%	-21.48%	-10.41%	2.54%	-2.89%	NA	14.32%	-15.37%	27.33%	25.34%	-22.78%	-9.27%
Brandes Emerging Markets Value ADR (Net)	-1.01%	-28.48%	-23.37%	-12.56%	0.10%	-5.23%	NA	11.64%	-17.42%	24.33%	22.33%	-24.64%	-11.52%
MSCI EM (Emerging Markets) - Net Return	9.56%	-1.16%	10.54%	2.42%	8.97%	3.74%	2.50%	18.42%	-14.57%	37.28%	11.19%	-14.92%	-2.19%
Excess Return (Gross)	**-9.97%**	**-25.99%**	**-32.02%**	**-12.83%**	**-6.43%**	**-6.64%**	**NA**	**-4.10%**	**-0.80%**	**-9.95%**	**14.15%**	**-7.86%**	**-7.08%**

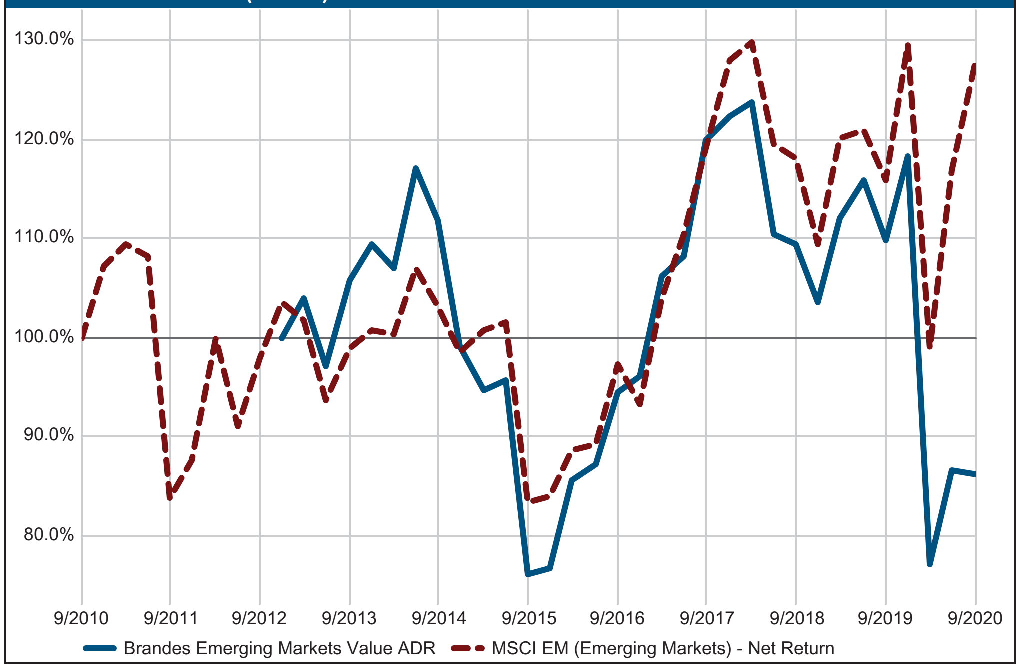
Past Performance is no guarantee of future results. The source for all charts/tables is Factset. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the composite, disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of September 30, 2020 unless otherwise noted. All data are subject to change.

Peer Group Analysis (Returns) - One Quarter Lag as of June 30, 2020 (Q2)



Annualized Periods - One Quarter Lag as of June 30, 2020

Investment Growth - (Gross)



Portfolio Characteristics

Portfolio Characteristics

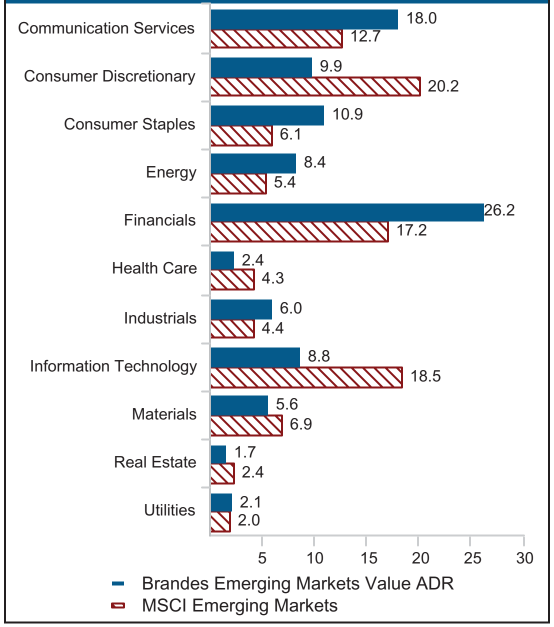
	Strategy	Bmk
# of Securities	56	1387
Market Cap ($M)	53,299	114,440
P/E - Trailing 12-Mo.	11.5	16.9
Adj. P/E - trailing 12-Mo.	11.5	16.0
P/E - Forecast FY1*	12.8	16.1
Price-to- Book	0.9	1.7
Return on Equity	13.1	13.6
EPS Growth - Forecast*	6.5	16.1
EPS Growth - Hist. 5 Year	5.1	15.7
Distribution Rate	3.31	2.34
Active Share	90.5	--

*Forecasts based on analysts' consensus

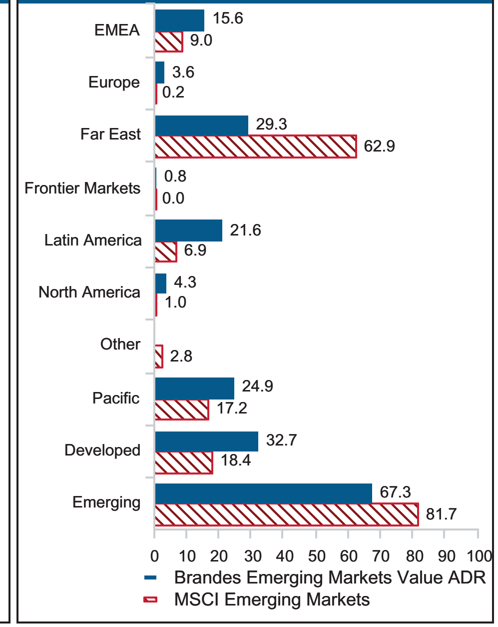
Top 10 Holdings

	% of Equity
Taiwan Semiconductor Manufactu...	4.07
TravelSky Technology Ltd. Spon...	3.20
Alibaba Group Holding Ltd. Spo...	3.16
Sberbank Russia PJSC Sponsored...	3.15
China Mobile Limited Sponsored...	3.13
Baidu, Inc. Sponsored ADR Clas...	2.89
America Movil SAB de CV Sponso...	2.83
Cemex SAB de CV Sponsored ADR	2.49
PT Bank Rakyat Indonesia (Pers...	2.43
Shanghai Pharmaceuticals Holdi...	2.42
Total	**29.77**

Economic Sector Allocation



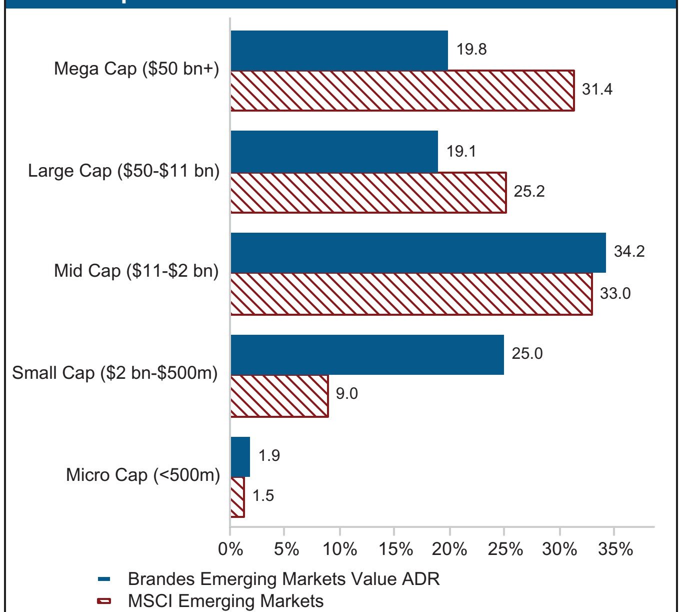
Regional Allocation



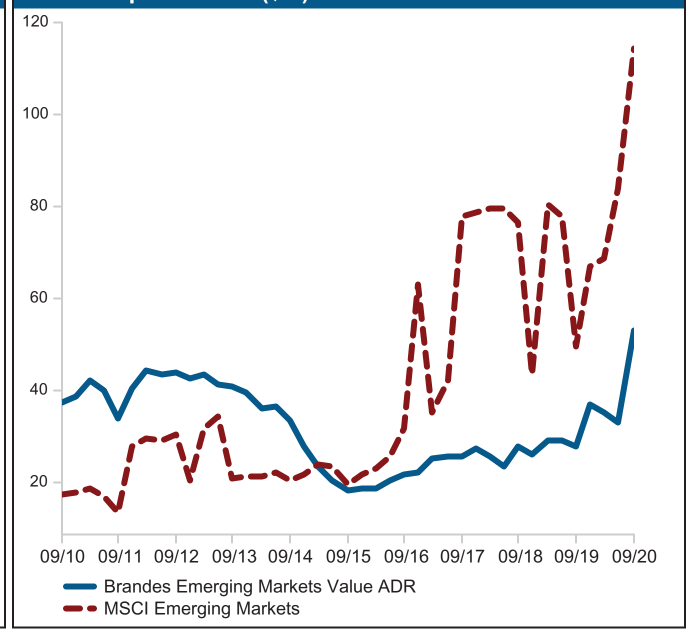
Quarterly Performance

	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
4Q 2017	2.01	1.37	7.44	-5.43
1Q 2018	1.24	0.67	1.42	-0.18
2Q 2018	-10.81	-11.38	-7.96	-2.85
3Q 2018	-0.87	-1.47	-1.09	0.22
4Q 2018	-5.45	-6.05	-7.46	2.01
1Q 2019	8.17	7.59	9.92	-1.75
2Q 2019	3.60	2.98	0.61	2.99
3Q 2019	-5.36	-5.95	-4.25	-1.11
4Q 2019	7.79	7.14	11.84	-4.05
1Q 2020	-34.84	-35.27	-23.60	-11.24
2Q 2020	12.26	11.62	18.08	-5.82
3Q 2020	-0.41	-1.01	9.56	-9.97

Market Capitalization Distribution



Market Capitalization ($M)



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Communication Services	5.20	-0.34	-1.59	-1.93
Consumer Discretionary	-10.40	-1.25	-2.28	-3.53
Consumer Staples	4.80	-0.17	-0.88	-1.04
Energy	2.90	-0.33	-1.09	-1.41
Financials	8.95	-0.65	-0.08	-0.73
Health Care	-1.92	0.09	-0.02	0.07
Industrials	1.64	-0.13	-0.98	-1.11
Information Technology	-9.73	-0.86	-0.32	-1.18
Materials	-0.91	-0.03	0.71	0.68
Real Estate	-0.70	0.03	-0.07	-0.04
Utilities	0.17	-0.06	-0.13	-0.19
Total	0.00	-3.69	-6.72	-10.41

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Communication Services	5.20	1.70	-8.03	-6.33
Consumer Discretionary	-10.40	-1.52	-5.13	-6.65
Consumer Staples	4.80	-0.03	-1.74	-1.77
Energy	2.90	-0.15	-1.88	-2.03
Financials	8.95	-0.69	-2.61	-3.30
Health Care	-1.92	-0.12	-0.87	-0.99
Industrials	1.64	-0.19	-3.59	-3.78
Information Technology	-9.73	-1.43	-0.99	-2.43
Materials	-0.91	0.32	0.69	1.01
Real Estate	-0.70	0.37	0.14	0.51
Utilities	0.17	0.07	0.04	0.10
Total	--	-1.34	-23.98	-25.33

Regional Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	6.56	-0.63	0.04	-0.59
Europe	3.37	0.02	-0.85	-0.84
Far East	-33.81	0.31	-2.66	-2.35
Frontier Markets	0.78	-0.32	-0.36	-0.68
Latin America	15.09	-1.50	-0.09	-1.59
North America	3.26	-0.10	-0.26	-0.36
Pacific	7.54	1.28	-5.24	-3.96
Total	--	-1.00	-9.41	-10.41

Regional Attribution - Year to Date

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	6.56	-1.05	0.38	-0.67
Europe	3.37	1.30	-4.84	-3.54
Far East	-33.81	-1.06	-6.60	-7.66
Frontier Markets	0.78	-0.33	-0.25	-0.58
Latin America	15.09	-3.96	-0.77	-4.73
North America	3.26	0.50	-1.90	-1.41
Pacific	7.54	3.50	-10.44	-6.94
Total	--	-0.90	-24.42	-25.33

Top Contributors to Performance

Current Quarter

Current Quarter	Avg. Weight	Wtd. Contrib.	Current Quarter	Avg. Weight	Wtd. Contrib.
Taiwan Semiconductor Manu...	3.62	1.13	Taiwan	3.62	1.13
Cemex SAB de CV Sponsored...	2.78	0.86	Mexico	7.04	0.92
Alibaba Group Holding Ltd...	2.65	0.75	China	21.76	0.64
TravelSky Technology Ltd....	2.81	0.48	South Africa	2.95	0.31
Sociedad Quimica Y Minera...	1.61	0.36	United States	2.01	0.21

Year to Date

Year to Date	Avg. Weight	Wtd. Contrib.	Year to Date	Avg. Weight	Wtd. Contrib.
Taiwan Semiconductor Manu...	2.86	1.23	Taiwan	2.86	1.23
Cemex SAB de CV Sponsored...	2.32	1.20	Mexico	5.93	0.39
Alibaba Group Holding Ltd...	2.30	0.88	Chile	3.39	0.10
ZTO Express (Cayman), Inc...	1.96	0.78	Greece	1.66	0.05
Flex Ltd.	1.10	0.62	India	0.03	0.01

Bottom Contributors to Performance

Current Quarter

Current Quarter	Avg. Weight	Wtd. Contrib.	Current Quarter	Avg. Weight	Wtd. Contrib.
PT XL Axiata Tbk Unsponso...	2.30	-0.74	Brazil	10.56	-1.46
YPF SA Sponsored ADR Clas...	1.25	-0.46	Indonesia	7.06	-1.25
Embraer S.A. Sponsored AD...	1.66	-0.45	Argentina	1.25	-0.46
China Railway Signal & Co...	1.82	-0.44	Malaysia	1.67	-0.32
PT Gudang Garam Tbk Unspo...	2.22	-0.41	United Kingdom	1.44	-0.23

Year to Date

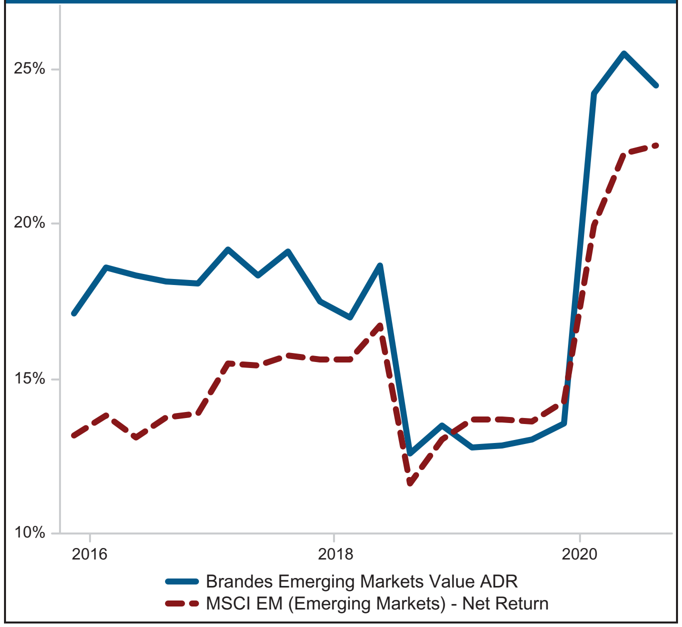
Year to Date	Avg. Weight	Wtd. Contrib.	Year to Date	Avg. Weight	Wtd. Contrib.
Embraer S.A. Sponsored AD...	2.31	-3.61	Brazil	10.63	-7.89
PT Bank Rakyat Indonesia...	2.61	-1.51	Indonesia	7.03	-2.95
Vanguard FTSE Emerging Ma...	1.16	-1.45	United Kingdom	2.29	-2.89
Absa Group Limited Sponso...	1.44	-1.23	Hong Kong	7.20	-1.51
Banco Latinoamericano de...	1.99	-1.16	[Unassigned]	1.16	-1.45

Portfolio Performance and Risk Statistics (Gross of Fees)

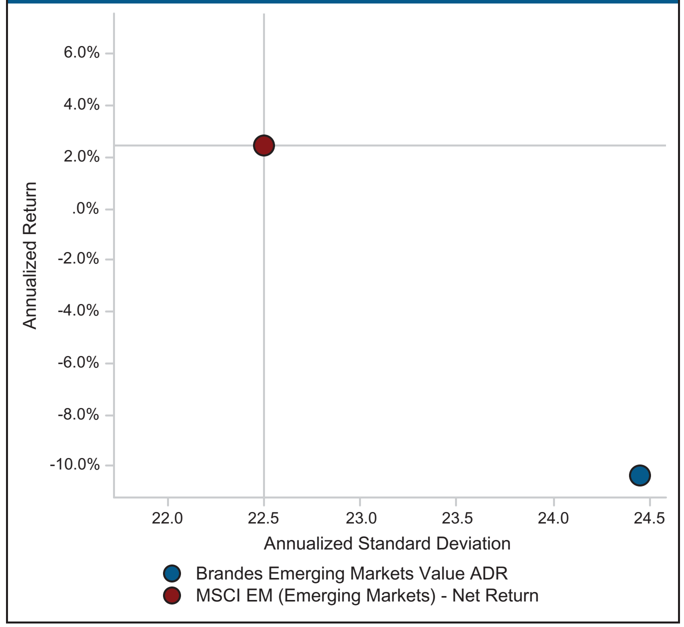
Risk Statistics vs. Benchmark

	3-Year	5-Year
Alpha	-11.9%	-5.5%
Beta	1.0	1.0
R2	86.9%	81.3%
Tracking Error	8.9%	9.1%
Information Ratio	-1.5	-0.7
Batting Average	25.0%	40.0%
Up Capture Ratio	53.1%	72.6%
Down Capture Ratio	126.3%	116.3%
Standard Deviation	24.4	21.0
Standard Deviation (Bmk)	22.5	18.6
Sharpe Ratio	-0.5	0.1

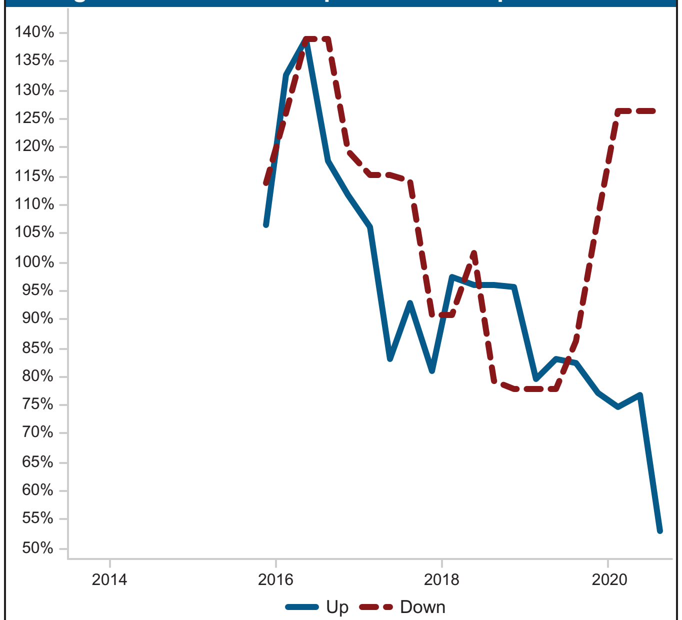
Rolling 3-Year Annualized Volatility



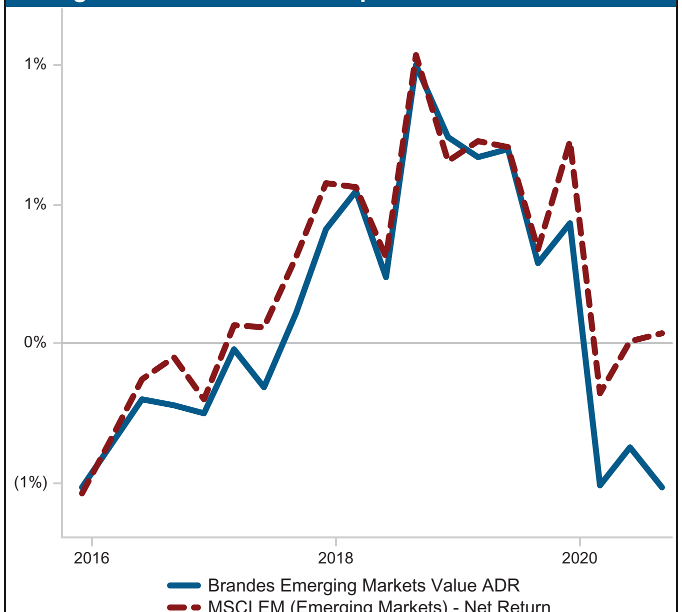
Risk-Reward - 3 Year (Annualized)



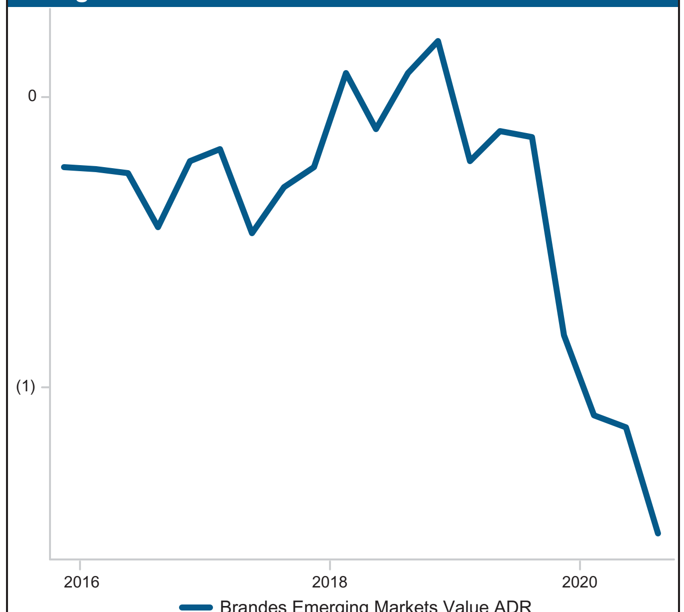
Rolling 3-Year Annualized Up and Down Capture Ratio



Rolling 3-Year Annualized Sharpe Ratio



Rolling 3-Year Annualized Information Ratio



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.
Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.
ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.
Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.
Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.
Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.
Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.
Correlation – a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.
Distribution Rate - is defined as the most recent distribution paid, annualized, and then divided by the current market price. Distribution rate may consist of investment income, short-term capital gains, long-term capital gains, and/or return of capital
Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.
Duration – quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.
EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.
EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.
Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.
Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.
Market Cap ($M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.
Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.
Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.
P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.
Peer Group Analysis – using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile. Data shown in this document is displayed on a one quarter lag and reflects the previous quarter end information.
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 (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 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.
SEC 30-Day Yield - is a standardized calculation method prescribed by the SEC and represents net income for the most recent 30-day period, which is annualized and shown as a percentage.
Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.
Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.
Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.
Total Effect - is the sum of all effects.
Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.
Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

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

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

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Important Disclosures

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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.

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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). Recent status changes may not be reflected in this report. Please refer to the GIMA manager analysis report for current status ratings.
GIMA has a "Watch" policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved." The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.
Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.
Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.
For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisorcan also provide upon request a copy of a publication entitled "GIMA At A Glance."

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

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General
Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.
Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.
Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.
An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

Sources of Performance Results and Other Data
The performance data and certain other information for this strategy (including the data on page 1 of this report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of 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: 0.50% maximum quarterly (2.0% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time. Actual client performance may differ from investment returns detailed in this report.
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 September 24, 2018.

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

Important Disclosures

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.

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. Interest on ***municipal bonds*** is generally exempt from federal income tax; however, some bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, if applicable, local tax-exemption applies if securities are issued within one's city of residence. ***Treasury Inflation Protection Securities' (TIPS)*** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. ***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.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be appropriate 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. ***Asset-backed securities*** generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.

Senior loans: are generally rated below investment-grade by rating agencies, and entail greater credit risk than higher quality, investment-grade securities such as U.S. Treasuries. In the event a borrower stops paying interest or principal on a loan, the collateral used to secure the loan may not be entirely sufficient to satisfy the borrower's obligations and, in some cases, may be difficult to liquidate on a timely basis. While senior loans offer higher interest income when interest rates rise, they also will generate less income when interest rates decline. The initial interest rate on a ***floating-rate 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 security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. Many floating rate securities specify rate minimums (floors) and maximums (caps). Floaters are not protected against interest rate risk. In a declining interest rate environment, floaters will not appreciate as much as fixed rate bonds. A decline in the applicable benchmark rate will result in a lower interest payment, negatively affecting the regular income stream from the floater. ***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. ***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.

Morgan Stanley

WEALTH MANAGEMENT

Global Investment Manager Analysis | November 7, 2019

Brandes Emerging Markets Value Equity

Approved List Report

Summary of Opinion

- Brandes' deep discount investment philosophy is based on Graham & Dodd's (Security Analysis) approach to investing, seeking to invest in securities selling at a significant discount to estimated intrinsic value.
- Due to their deep discount approach, the strategy may involve purchasing securities that are experiencing operational and financial difficulties.
- The strategy typically allocates significantly lower along the market cap spectrum than the Index, which also has the potential to increase volatility.
- Due to the firm's investment approach the strategy may struggle in momentum or growth-oriented markets. There may be extended periods when the strategy experiences underperformance. However, Global Investment Manager Analysis (GIMA) believes that longer term the fund has the potential to generate attractive returns.

BRIAN GLANZ

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STRATEGY DETAILS

Investment Style:
Emerging Market Equities

Sub-Style:
Value-Oriented

Benchmark:
MSCI Emerging Markets (net)

GIMA Status:
Approved List

Product Type:
Separately Managed Accounts & Mutual Fund

Ticker Symbol:
BEMIX (UMA, TRAK FS)

http://www.brandes.com

Strategy Description

The Brandes Emerging Markets Value Equity strategy is a value-oriented process that looks for companies selling at a deep discount to estimated intrinsic value. The team attempts to purchase companies that are considered out-of-favor and trading at a discount in seeking to add value over time.

Strategy Attributes

Points to Consider

- Consistent implementation of the investment process through different market cycles, as well as a diverse internal research team of sector and country analysts.
- Policy guidelines of maximum country/industry exposure limited to greater of 20% of assets or 1.5 times the benchmark weight.
- Investors should have a long-term time horizon when investing in this portfolio since its deep value approach may underperform for extended periods.
- The firm's founding partner, Charles Brandes, retired on February 26, 2018 to focus on personal matters. The firm has agreed to purchase his remaining stake over a 10-year period. At this time, Mr. Brandes is a silent partner with no voting rights on the Board. As Mr. Brandes had not been active in the day-to-day management of the investments in recent years, GIMA does not anticipate a meaningful impact from his departure.
- The firm experienced a significant decline in AUM since reaching a peak of $117 billion in 2006. However, AUM seems to have stabilized in recent years, although GIMA would like to see growth in AUM.
- This report is applicable to both the SMA and mutual fund versions of the strategy.

Performance Expectations

- Brandes employs a deep discount value investment process. As such, GIMA believes it may generate stronger relative performance in value-oriented markets and in speculative markets where companies with lower balance sheet strength tend to be rewarded. It might be expected to struggle in rapidly rising or growth-oriented market environments.
- Further, due to the investment team's willingness to buy companies facing financial and business headwinds, the portfolio returns may significantly lag its benchmark during periods of heightened economic and business risk

Investment Capabilities Overview

Portfolio Management Team & Decision-Making

- All investment decisions, including security selection, buy and sell price targets and portfolio position sizes, are the responsibility of the Emerging Markets Investment Committee.
- Members are periodically rotated on/off the Investment Committees.
- The research group is aligned along seven global sectors, each with a senior research analyst or the Director of Research as its team head. The research analysts are responsible for the fundamental analysis of the portfolio holdings and provide the Investment Committees with company and industry updates.

Investment Process & Portfolio Construction

- The portfolio's bottom-up approach is based on purchasing shares of companies that are trading at a significant discount to their estimated intrinsic value. BIP has a 3-5 year investment horizon and believes that share prices eventually rise to estimated intrinsic value as the market recognizes their worth.
- BIP applies quantitative screens to a universe of approximately 700 stocks. The screens are primarily based on low absolute and relative valuations, liquidity and market capitalization. Other screens include stocks that have recently hit new low prices or have recently experienced sharp share price declines in a short period.
- Stocks of interest are then subjected to fundamental analysis to estimate intrinsic value. BIP uses both discounted cash flow models and relative valuation models to estimate a company's intrinsic value.
- Analysts review all available information, with a primary emphasis on an analysis of financial statements and estimating what a company's potential level of normalized earnings may look like going forward. Analysts formally present the most compelling opportunities to the firm's investment committees, where the product-level purchase and sale decisions are made.
- After analysts present their valuation reports and answer any questions posed by committee members, the investment committee as a team assigns intrinsic value estimates to companies and decides which companies will be held in portfolios. As a result, no single individual is in charge of purchase and sale decisions – instead, the entire team participates in the decision-making process.
- Generally, a minimum discount of 30% to estimated intrinsic value is sought before purchasing a stock. BIP refers to this discount as the margin of safety. Their goal is to build portfolios with high average margins of safety.
- The committees also set buy and sell price targets, security-by-security target weightings, and diversification constraints. It is important to note that there is a high correlation between Margin of Safety (MOS) and the weight of the holdings. This means, the higher the MOS, the higher the weight in the portfolio.

Portfolio Traits

EQUITY	
Range of Holdings	35-85 ORD SMA; 40-70 ADR SMA; 50-80 Fund
Maximum Position Size	5%
Econ Sector Constraints	SMA: At purchase, weightings for individual securities cannot exceed the greater of (a) 20% or (b) 1.5x the industry's weight Fund: At purchase, industry limited to 25% of the portfolio
Country Constraints	At purchase, 20% of the total portfolio or 150% of the benchmark weighting per country
Emerging Mkts Constraints	NA
Currency Hedging	No
Tracking Error Target	No specific constraint
Typical Annual Turnover	20 – 40%
Invests in ADRs	Yes
Invests in ETFs	Yes, but not typically used
Invests in Derivatives	No
Invests in IPOs	No
Liquidity Constraints	3-12 month trading volume is reviewed for liquidity
Maximum Cash	Typically less than 20%
Typical Cash Position	0%-5%
Est. Product Capacity	None Stated

Source: Brandes

Ownership And Parent Company

NAME OF OWNER	PERCENT OWNED
Privately Owned	100% Employee Owned
PUBLICLY TRADED	**TICKER SYMBOL**
No	NA

Source: Brandes

Assets Under Management ($ Millions)

YEAR	FIRM	SMA	Fund
3Q2019	$23,566	$1,476	$1,664
2018	$24,080	$1,551	$1,519
2017	$31,204	$1,841	$2,090
2016	$27,993	$1,558	$1,387
2015	$25,995	$1,378	$1,067
2014	$26,435	$1,597	$1,168
2013	$27,204	$1,504	$561

Source: Brandes

Legal/Compliance

- In July 2019, the SEC conducted an examination focused primarily around ESG and/or SRI Investing. According to the firm, there are no outstanding issues.

Definitions

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consisted of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

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.

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

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.

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.

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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".

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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. Morgan Stanley charges each fund family we offer a mutual fund support fee, also called a "revenue-sharing payment," on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

Morgan Stanley

WEALTH MANAGEMENT

Global Investment Manager Analysis

Lazard Emerging Markets Core Equity ADR

Status: Focus List
Investment Style: Emerging Markets Equities
Benchmark: MSCI Emerging Markets
September 30, 2020 (Q3)

Strategy Description

The strategy employs a bottom-up, fundamental approach to seek to identify mispriced securities with attractive upside potential. The team seeks to exploit these inefficiencies by utilizing a flexible valuation approach to determine which factors are most appropriate depending on a company's stage of development.

Adriane Parris
Morgan Stanley Wealth Management
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Trailing Returns

	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2019	2018	2017	2016	2015	2014
Lazard Emerging Markets Core Equity ADR (Gross)	11.53%	-2.24%	10.73%	3.06%	10.59%	NA	NA	23.59%	-14.94%	43.31%	8.42%	-7.42%	NA
Lazard Emerging Markets Core Equity ADR (Net)	10.90%	-3.98%	8.12%	0.60%	7.94%	NA	NA	20.68%	-17.01%	39.92%	5.75%	-9.64%	NA
MSCI EM (Emerging Markets) - Net Return	9.56%	-1.16%	10.54%	2.42%	8.97%	3.74%	2.50%	18.42%	-14.57%	37.28%	11.19%	-14.92%	-2.19%
Excess Return (Gross)	**1.97%**	**-1.08%**	**0.19%**	**0.64%**	**1.62%**	**NA**	**NA**	**5.17%**	**-0.37%**	**6.03%**	**-2.77%**	**7.50%**	**NA**

Past Performance is no guarantee of future results. The source for all charts/tables is Factset. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the composite, disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of September 30, 2020 unless otherwise noted. All data are subject to change.

Performance Commentary

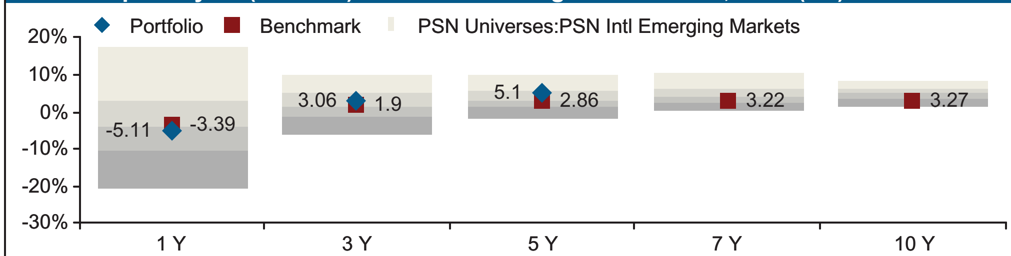
• The portfolio outperformed the MSCI Emerging Markets for the quarter. Stock selection was positive and sector positioning was positive.

• The top contributing sectors were Information Technology, Industrials, and Consumer Staples. The top detracting sectors were Communication Services, Consumer Discretionary, and Financials. From an industry perspective, Semiconductors & Semiconductor Equipment, Machinery, and Wireless Telecommunication Services added value, while Automobiles, Oil Gas & Consumable Fuels, and Internet & Direct Marketing Retail detracted.

• From a country perspective, Taiwan, Hong Kong, and Thailand added value, while China, and Russia detracted.

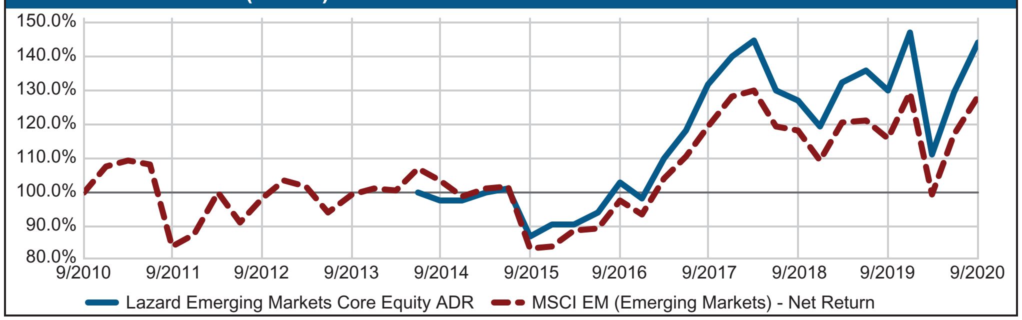
• Within the portfolio, companies with a price/earnings between 16.0x and 20.0x contributed to returns while companies with a price/earnings between 12.0x and 16.0x detracted. And finally, companies with moderate beta tended to do better than companies with low beta during the quarter.

Peer Group Analysis (Returns) - One Quarter Lag as of June 30, 2020 (Q2)



Annualized Periods - One Quarter Lag as of June 30, 2020

Investment Growth - (Gross)



Portfolio Characteristics

Portfolio Characteristics

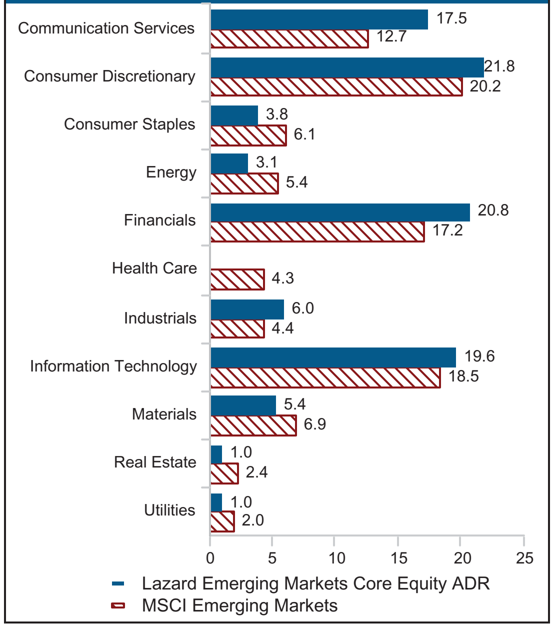
	Strategy	Bmk
# of Securities	40	1387
Market Cap ($M)	210,175	114,440
P/E - Trailing 12-Mo.	16.3	16.9
Adj. P/E - trailing 12-Mo.	16.2	16.0
P/E - Forecast FY1*	19.9	16.1
Price-to- Book	2.5	1.7
Return on Equity	17.3	13.6
EPS Growth - Forecast*	8.2	16.1
EPS Growth - Hist. 5 Year	16.7	15.7
Distribution Rate	1.78	2.34
Active Share	81.5	--

*Forecasts based on analysts' consensus

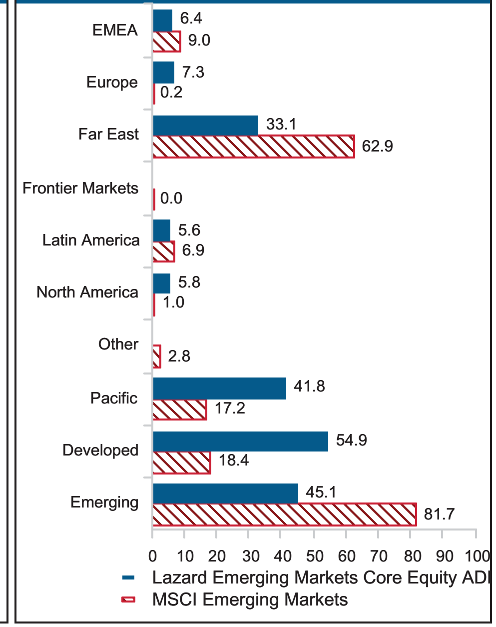
Top 10 Holdings

	% of Equity
Taiwan Semiconductor Manufactu...	15.56
Tencent Holdings Ltd. Unsponso...	10.86
Alibaba Group Holding Ltd. Spo...	9.17
HDFC Bank Limited Sponsored AD...	7.32
Techtronic Industries Co., Ltd...	4.30
NetEase, Inc. Sponsored ADR	3.81
Industrial and Commercial Bank...	3.27
Unilever NV ADR	2.99
Ping An Insurance (Group) Comp...	2.59
Yum China Holdings, Inc.	2.54
Total	**62.41**

Economic Sector Allocation



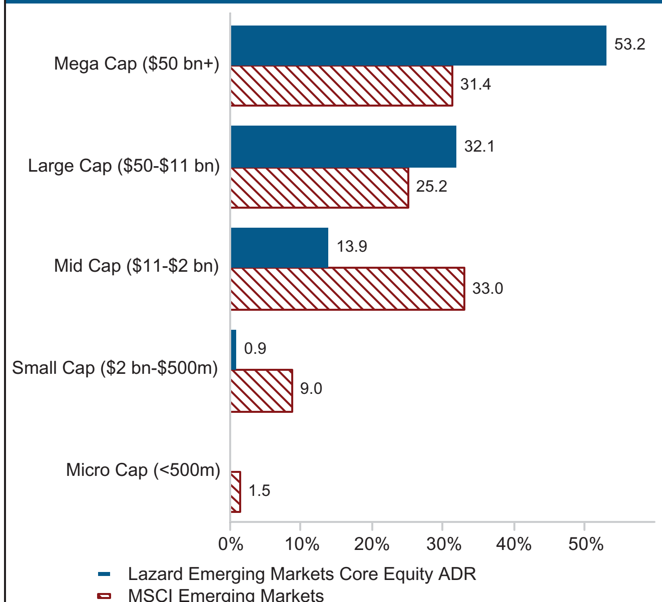
Regional Allocation



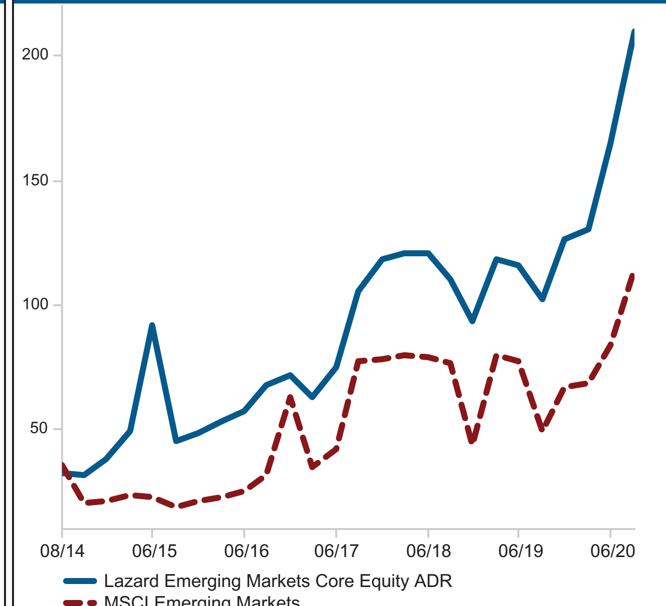
Quarterly Performance

	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
4Q 2017	6.51	5.86	7.44	-0.93
1Q 2018	3.40	2.83	1.42	1.98
2Q 2018	-10.40	-10.98	-7.96	-2.44
3Q 2018	-2.22	-2.80	-1.09	-1.13
4Q 2018	-6.10	-6.73	-7.46	1.36
1Q 2019	11.17	10.54	9.92	1.25
2Q 2019	2.70	2.09	0.61	2.09
3Q 2019	-4.43	-5.03	-4.25	-0.18
4Q 2019	13.27	12.60	11.84	1.43
1Q 2020	-24.69	-25.18	-23.60	-1.09
2Q 2020	16.39	15.72	18.08	-1.69
3Q 2020	11.53	10.90	9.56	1.97

Market Capitalization Distribution



Market Capitalization ($M)



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Communication Services	4.79	-0.41	-0.51	-0.91
Consumer Discretionary	1.63	0.31	-1.14	-0.83
Consumer Staples	-2.24	0.17	0.12	0.28
Energy	-2.37	0.21	-0.74	-0.53
Financials	3.65	-0.46	-0.22	-0.67
Health Care	-4.32	0.31	-0.06	0.25
Industrials	1.63	-0.06	1.24	1.19
Information Technology	1.16	0.03	2.57	2.60
Materials	-1.57	-0.03	0.18	0.14
Real Estate	-1.36	0.10	-0.20	-0.11
Utilities	-0.98	0.15	-0.03	0.12
Total	0.00	0.33	1.21	1.53

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Communication Services	4.79	1.16	0.91	2.07
Consumer Discretionary	1.63	0.47	-0.50	-0.03
Consumer Staples	-2.24	0.11	0.09	0.20
Energy	-2.37	0.45	-0.81	-0.36
Financials	3.65	-1.95	-3.08	-5.03
Health Care	-4.32	-0.83	-0.40	-1.23
Industrials	1.63	-0.10	0.56	0.46
Information Technology	1.16	-0.18	2.58	2.40
Materials	-1.57	0.01	-0.30	-0.30
Real Estate	-1.36	0.29	-0.12	0.16
Utilities	-0.98	0.25	-0.03	0.22
Total	--	-0.32	-1.11	-1.44

Regional Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-2.58	0.21	-0.48	-0.27
Europe	7.06	0.12	-0.26	-0.14
Far East	-29.80	0.39	3.53	3.92
Frontier Markets	-0.04	0.01	--	0.01
Latin America	-1.32	0.11	-0.35	-0.24
North America	4.83	-0.06	-0.11	-0.17
Pacific	24.64	4.21	-5.82	-1.62
Total	--	5.01	-3.48	1.53

Regional Attribution - Year to Date

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-2.58	0.69	-0.33	0.36
Europe	7.06	2.43	-3.03	-0.60
Far East	-29.80	-0.98	-0.36	-1.34
Frontier Markets	-0.04	0.05	--	0.05
Latin America	-1.32	-0.22	-2.88	-3.10
North America	4.83	-0.22	0.12	-0.10
Pacific	24.64	10.05	-6.84	3.20
Total	--	11.88	-13.32	-1.44

Top Contributors to Performance

Current Quarter

Current Quarter	Avg. Weight	Wtd. Contrib.	Current Quarter	Avg. Weight	Wtd. Contrib.
Taiwan Semiconductor Manu...	14.55	5.08	Taiwan	14.80	5.04
Alibaba Group Holding Ltd...	8.22	2.59	China	44.73	3.90
Techtronic Industries Co....	3.83	1.25	India	9.13	1.45
HDFC Bank Limited Sponsor...	7.16	0.75	Hong Kong	4.41	1.08
Shenzhou International Gr...	2.05	0.71	Netherlands	3.97	0.40

Year to Date

Year to Date	Avg. Weight	Wtd. Contrib.	Year to Date	Avg. Weight	Wtd. Contrib.
Taiwan Semiconductor Manu...	12.58	5.40	China	43.79	6.71
Tencent Holdings Ltd. Uns...	10.37	4.16	Taiwan	13.35	5.46
Alibaba Group Holding Ltd...	7.61	3.00	Hong Kong	3.49	1.87
NetEase, Inc. Sponsored A...	3.92	2.05	United States	1.15	1.14
Techtronic Industries Co....	3.30	2.04	Netherlands	3.78	0.67

Bottom Contributors to Performance

Current Quarter

Current Quarter	Avg. Weight	Wtd. Contrib.	Current Quarter	Avg. Weight	Wtd. Contrib.
Industrial and Commercial...	3.76	-0.50	Brazil	4.99	-0.38
Oil company LUKOIL PJSC S...	2.61	-0.46	Russia	4.40	-0.37
GALP Energia SGPS SA Unsp...	1.06	-0.21	Indonesia	2.60	-0.25
PT Telekomunikasi Indones...	1.21	-0.21	Portugal	1.06	-0.21
PICC Property & Casualty...	1.31	-0.18	Peru	0.92	-0.08

Year to Date

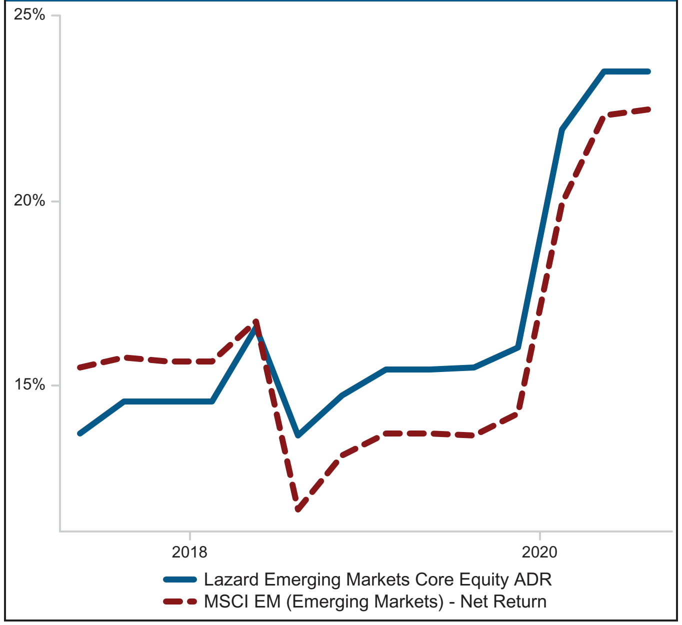
Year to Date	Avg. Weight	Wtd. Contrib.	Year to Date	Avg. Weight	Wtd. Contrib.
HDFC Bank Limited Sponsor...	7.71	-3.25	Brazil	5.93	-6.06
Banco do Brasil S.A. Spon...	2.12	-2.55	India	9.97	-3.11
Industrial and Commercial...	4.48	-1.44	Indonesia	2.98	-2.05
PT Bank Mandiri (Persero)...	1.52	-1.30	Russia	5.06	-1.87
Azul S.A. Sponsored ADR P...	0.61	-1.19	Mexico	1.60	-1.18

Portfolio Performance and Risk Statistics (Gross of Fees)

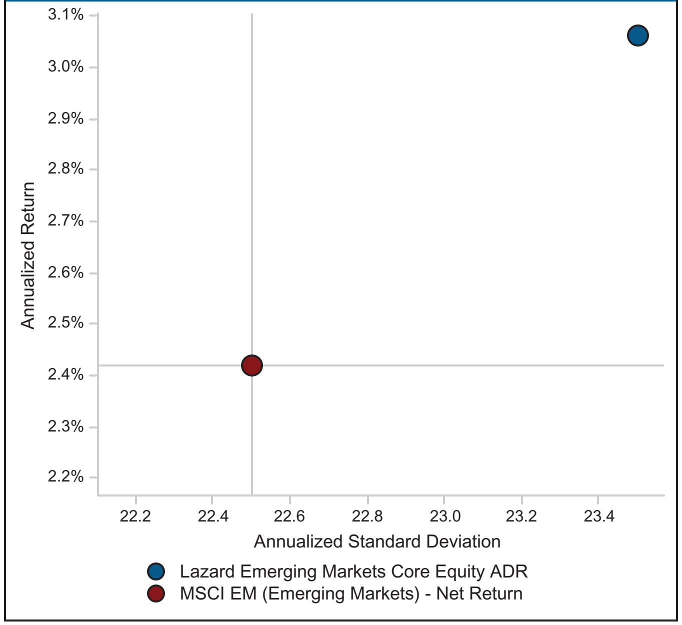
Risk Statistics vs. Benchmark

	3-Year	5-Year
Alpha	0.7%	1.4%
Beta	1.0	1.0
R2	98.2%	95.4%
Tracking Error	3.3%	4.3%
Information Ratio	0.2	0.4
Batting Average	50.0%	60.0%
Up Capture Ratio	114.2%	120.9%
Down Capture Ratio	106.3%	106.6%
Standard Deviation	23.5	19.7
Standard Deviation (Bmk)	22.5	18.6
Sharpe Ratio	0.1	0.5

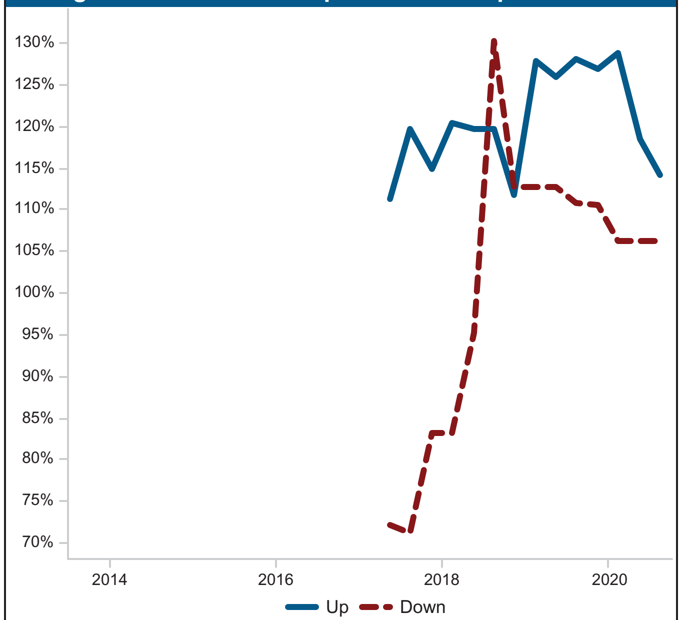
Rolling 3-Year Annualized Volatility



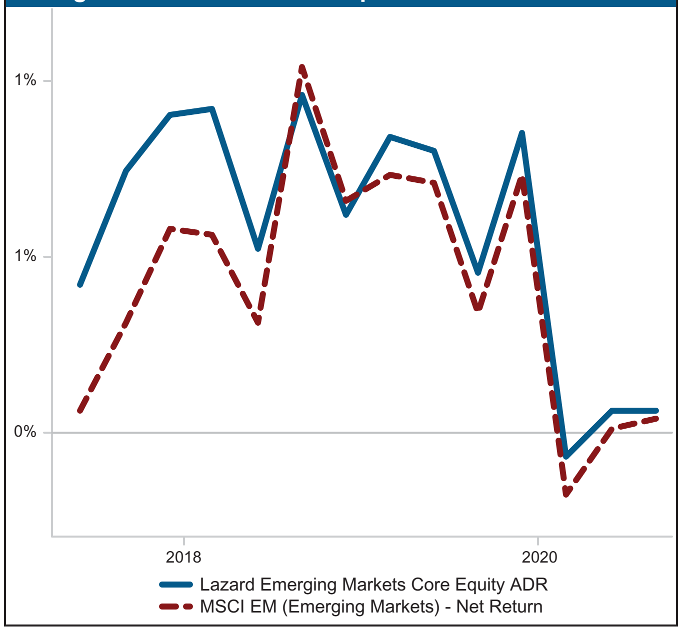
Risk-Reward - 3 Year (Annualized)



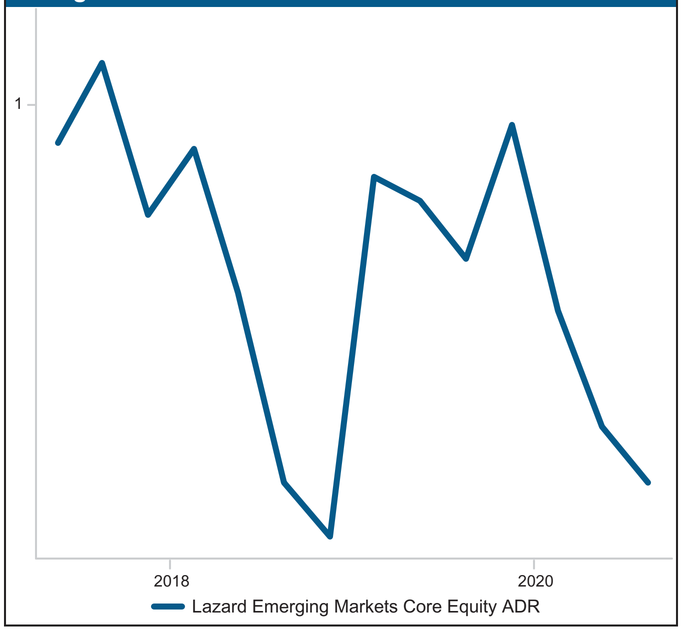
Rolling 3-Year Annualized Up and Down Capture Ratio



Rolling 3-Year Annualized Sharpe Ratio



Rolling 3-Year Annualized Information Ratio



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.
Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.
ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.
Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.
Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.
Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.
Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.
Correlation – a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.
Distribution Rate - is defined as the most recent distribution paid, annualized, and then divided by the current market price. Distribution rate may consist of investment income, short-term capital gains, long-term capital gains, and/or return of capital
Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.
Duration – quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.
EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.
EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.
Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.
Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.
Market Cap ($M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.
Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.
Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.
P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.
Peer Group Analysis – using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile. Data shown in this document is displayed on a one quarter lag and reflects the previous quarter end information.
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 (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 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.
SEC 30-Day Yield - is a standardized calculation method prescribed by the SEC and represents net income for the most recent 30-day period, which is annualized and shown as a percentage.
Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.
Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.
Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.
Total Effect - is the sum of all effects.
Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.
Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

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

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

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Important Disclosures

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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). Recent status changes may not be reflected in this report. Please refer to the GIMA manager analysis report for current status ratings.
GIMA has a "Watch" policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved." The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.
Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.
Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.
For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisorcan also provide upon request a copy of a publication entitled "GIMA At A Glance."

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

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General
Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.
Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.
Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.
An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

Sources of Performance Results and Other Data
The performance data and certain other information for this strategy (including the data on page 1 of this report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of 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: 0.50% maximum quarterly (2.0% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time. Actual client performance may differ from investment returns detailed in this report.
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 September 24, 2018.

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

Important Disclosures

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.

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. Interest on ***municipal bonds*** is generally exempt from federal income tax; however, some bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, if applicable, local tax-exemption applies if securities are issued within one's city of residence. ***Treasury Inflation Protection Securities' (TIPS)*** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. ***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.
Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be appropriate 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.
Asset-backed securities generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.
Senior loans: are generally rated below investment-grade by rating agencies, and entail greater credit risk than higher quality, investment-grade securities such as U.S. Treasuries. In the event a borrower stops paying interest or principal on a loan, the collateral used to secure the loan may not be entirely sufficient to satisfy the borrower's obligations and, in some cases, may be difficult to liquidate on a timely basis. While senior loans offer higher interest income when interest rates rise, they also will generate less income when interest rates decline. The initial interest rate on a ***floating-rate 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 security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. Many floating rate securities specify rate minimums (floors) and maximums (caps). Floaters are not protected against interest rate risk. In a declining interest rate environment, floaters will not appreciate as much as fixed rate bonds. A decline in the applicable benchmark rate will result in a lower interest payment, negatively affecting the regular income stream from the floater. ***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. ***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.

Morgan Stanley

WEALTH MANAGEMENT

Global Investment Manager Analysis | June 17, 2020

Lazard Emerging Markets Core Equity ADR

Focus List Report

Summary of Opinion

- The Lazard Emerging Markets Core ADR strategy is a Blend sub-style emerging markets strategy that may shift dynamically between the value and growth spectrum.
- The investment team is opportunistic and invests in companies across market capitalizations, styles and different stages of development. Generally, the portfolio will be comprised of companies that are classified in the growth, stable growth, or mature stage, rather than the potentially more volatile startup and rebirth stages. However, at times, the rebirth sleeve may represent a significant allocation if the team believes the market environment is conducive to restructurings and turnarounds.
- Global Investment Manager Analysis (GIMA) has conviction in Lazard's Emerging Markets Core team of investment professionals, in particular, the leadership of portfolio manager, Stephen Russell.

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STRATEGY DETAILS

Investment Style:
Emerging Markets Equities

Sub-Style:
Blend

Benchmark:
MSCI Emerging Markets

GIMA Status:
Focus List

Product Type:
Separately Managed Account

Ticker Symbol:
NA

www.lazardnet.com

Strategy Description

The Lazard Emerging Markets Core ADR strategy employs a bottom-up, fundamental approach, seeking to identify mispriced securities with attractive upside potential. The team seeks to exploit these inefficiencies by utilizing a flexible valuation approach to determine which factors are most appropriate depending on a company's stage of development.

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	Average	Above Average	Above Average	No	In-Line	NA

See Strategy Snapshot description at the end of this report.

Strategy Attributes

Positive Attributes

- GIMA views positively the leadership of Stephen Russell, who has more than 20 years of investing experience, including a previous role managing a substantially similar strategy at Deutsche Asset Management.
- Although the strategy has a short track record, with a 2014 inception, the institutional portfolio, which is managed in a similar manner, has demonstrated an ability to add value over various market environments.
- The team continues to employ the same philosophy and investment process as it did at its predecessor firm, Deutsche Asset Management.
- Although an autonomous unit, the team does work with and utilize the deep resources of the greater Lazard emerging markets team, with more than 70 dedicated investment professionals.
- The strategy's focus on higher-quality stocks has allowed it to generally outperform in declining market environments, such as in 2015.

Points to Consider

- Lazard Asset Management currently manages more than $50 billion in emerging markets equities across a number of mandates. While the assets are large, Lazard routinely performs an analysis on each of the strategies to ensure that there is ample capacity and liquidity based on how the teams manage their respective portfolios.
- While fundamentally a bottom-up, research-driven investment process, the portfolio also relies on the macroeconomic view of lead PM, Stephen Russell. As such, country and sector allocations may, at times, have meaningful divergence from the index.
- ESG issues are considered a component of the investment process and integral to determining the team's forecast of a stock's intrinsic value.
- The strategy is market-cap agnostic and can span the spectrum. However, historically, the portfolio has tended to have a bias toward larger-cap companies.
- The strategy is style agnostic and will be a blend of growth and value companies. However, in recent years, the portfolio has displayed a modest bias toward growth.
- While the strategy is managed by the same team and with the same investment process as the Lazard Emerging Markets Core Equity Fund, the ADR strategy is typically more concentrated with 35-55 holdings, as compared to 60-80 positions for the fund.
- Overlap of holdings in the ADR strategy with those in the mutual fund is anticipated to be 80%-90%. However, with the fund having more holdings, it is anticipated that there may, at times, be significant dispersion in performance between the strategies.
- Morgan Stanley accounts represent the vast majority of the assets under management in the ADR strategy.

Areas of Concern

- As mentioned, the ADR strategy has a relatively short track record; however, the concern is mostly alleviated since the team has been managing an institutional strategy, utilizing the same process since 2009.

Performance Expectations

- Due to its bottom-up research focused investment process, the strategy may be expected to potentially generate stronger relative performance in markets that are fundamentally driven, but may tend to lag in speculative markets or those characterized by macro events.
- The strategy may defend in down markets due to its focus on valuation and quality, as measured by financial productivity.

Investment Capabilities Overview

Portfolio Management Team & Decision-Making

- Stephen Russell, CFA, serves as lead Portfolio Manager, as well as performing research focused primarily on emerging markets investments within Asia, Latin America, and EMEA. Prior to joining Lazard in 2011, Mr. Russell was a PM for Deutsche Asset Management's Emerging Markets.
- Thomas Boyle is a Portfolio Manager/Analyst focusing primarily on emerging markets investments within Latin America.
- The portfolio managers are supported by three research analysts: Ryan Mims, John Mariano and Celine Woo.

Investment Process & Portfolio Construction

- The team uses a bottom-up, fundamental investment process, seeking to identify mispriced securities. The process is defined as core but the portfolio will shift from growth to value depending on market dynamics. The strategy will also invest in small- and large-cap stocks, as well as defensive and cyclical stocks.
- While the shift between value and growth is largely a byproduct of the bottom-up research, it may also be influenced by the macro view of the portfolio manager or investment team.
- The investment process begins with approximately 2,500 emerging markets stocks, including developed markets stocks that derive over 50% of their net assets or sales from emerging markets.
- The universe is reduced to approximately 1,400 names with market capitalizations greater than $300 million with adequate liquidity, generally at least $3 million in daily trading volume.
- The remaining 1,400 stocks are ranked into deciles based on the following criteria: quality, momentum, valuations by sector, dividend yield and growth, free cash flow yield, ROIC, and earnings revisions.
- The top three deciles comprise the 300-400 stocks that are then reviewed for potential opportunities using the Core Company Model.
- The Core Company Model (CCM) is the team's proprietary model that assists to narrow the universe to 150 – 200 names, which the team will do more detailed analysis on. The CCM looks at historical data to see if there are any identifiable inflection points in returns, capital structure or cash flow.
- The team seeks to exploit inefficiencies by identifying a company's stage of development and capital structure, and uses the appropriate valuation methodology (flexible valuation) to assess a company's fair value. The five stages are described below:
    - Startup – undervalued assets and mispriced risks; the team looks for what it perceives to be attractive and growing assets run by strong management teams.
    - Growth – underappreciated revenue and EPS growth; the team seeks companies with increasing or high growth in sales and EPS.
    - Stable Growth – compounding ability is misunderstood by the markets; the team seeks companies that have high or improving ROIC.
    - Mature – dividends and cash flows are undervalued; the team seeks companies with high or improving ROE and dividends.
    - Rebirth – undervalued assets; may have a steady decline in returns to cost of capital; have to be careful of companies that don't cover their cost of capital and become value traps.
- ESG factors are also considered when evaluating a potential investment. The team scores a company from 0 to 10 based on the degree to which ESG issues are already reflected in the price of the stock. A score of 10 means all ESG issues are fully reflected in the current price, while a score of 0 means the ESG issues are not priced.
- Attractive candidates are assigned an intrinsic value estimate discounted back to present value, using the team's internally generated hurdle rate. Stocks may require a discount of up to 25% in the stock price before considering it as a viable investment candidate.
- A security may be sold if the price target is achieved, if the fundamental drivers have changed, the investment thesis is no longer valid, or there has been a negative change in corporate strategy or corporate governance.

Track Record Reliability

- The track record reliability is rated high given the team's management of the strategy since its inception. While the track record is relatively short, the team has managed an institutional portfolio that is managed in the same manner since January 2009.

Portfolio Traits

EQUITY	
Range of Holdings	35 – 55
Maximum Position Size	6% at purchase
Econ Sector Constraints	Maximum active position of 8% vs. MSCI Emerging Markets Index
Country Constraints	Maximum active position of 6% vs. MSCI Emerging Markets Index
Emerging Mkts Constraints	None
Currency Hedging	No
Tracking Error Target	No target; Typically 3 – 5%
Typical Annual Turnover	50 – 65%
Invests in ADRs	Yes
Invests in ETFs	No
Invests in Derivatives	No
Invests in IPOs	Yes
Liquidity Constraints	Generally $300 million market cap minimum
Maximum Cash	5%
Typical Cash Position	1 – 2%
Est. Product Capacity	Not stated

Source: Lazard

Ownership And Parent Company

NAME OF OWNER	PERCENT OWNED
Lazard Freres & Co	100%
PUBLICLY TRADED	**TICKER SYMBOL**
Yes	LAZ

Source: Lazard

Assets Under Management ($ Millions)

YEAR	FIRM	SMA
1Q20	$171,904	$633.0
2019	$222,947	$731.5
2018	$192,799	$376.2
2017	$222,368	$267.2
2016	$178,954	$23.6
2015	$167,786	$7.7
2014	$178,361	$0.5
2013	$167,545	--

Source: Lazard

Legal/Compliance

- The Securities and Exchange Commission (SEC) commenced an examination on April 11, 2019. According to LAM, the examination was completed on November 1, 2019, and to its knowledge, there are no outstanding issues.
- A FINRA cycle exam of LAMS commenced on November 22, 2017 and was completed on January 25, 2018. According to Lazard, there are no outstanding issues resulting from the exam.
- The last prior SEC investment advisory examination of Lazard Asset Management began in late 2012 and was completed in early 2013. According to the firm, there are no outstanding issues resulting from this exam.

Definitions

MSCI Emerging Markets Index - The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

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.

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.

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**.

GIMA defines the Adverse Active Alpha (AAA) ranking model as follows:

Global Investment Manager Analysis provides comprehensive manager analysis for Morgan Stanley's investment advisory platforms on a wide range of investment products, including separately managed accounts, mutual funds and exchange-traded funds in the equity, fixed income and alternative investment categories.

Adverse Active Alpha (AAA)

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 all products, r2 is used to measure the degree of differentiation from the benchmark 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 r2 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 and Value Score ranking models:

In our view, the Adverse Active Alpha and Value Score manager rankings are an important part of evaluating managers for consideration. However, we do recognize that these ranking models cannot, in and of themselves, 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.

GIMA 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 or Value Score ranking. Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors. For more information on the ranking models, please see *Adverse Active Alpha℠ 2.0: Scoring Active Managers According to Potential Alpha.* This Special Report is available by request 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.

***High Adverse Active Alpha is generally defined as falling into the top two quintiles (40%) within the ranking model.** 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.

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 appropriateness 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.

The returns on a portfolio consisting primarily of ***environmental, social, and governance-aware investments (ESG)*** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria.

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. Morgan Stanley charges each fund family we offer a mutual fund support fee, also called a “revenue-sharing payment,” on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

Morgan Stanley

WEALTH MANAGEMENT

Global Investment Manager Analysis

Martin Currie Global Emerging Markets SMA

Status: Focus List
Investment Style: Emerging Markets Equities
Benchmark: MSCI Emerging Markets
September 30, 2020 (Q3)

Strategy Description

The portfolio is a bottom-up, high conviction blend strategy that seeks companies with strong balance sheets and perceived strong revenue and earnings growth. This is a fairly concentrated emerging market equity portfolio.

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Trailing Returns

	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2019	2018	2017	2016	2015	2014
Martin Currie Global Emerging Markets SMA (Gross)	13.64%	5.26%	19.65%	6.29%	14.19%	6.52%	4.94%	28.18%	-17.56%	49.14%	12.54%	-12.66%	-6.62%
Martin Currie Global Emerging Markets SMA (Net)	12.98%	3.33%	16.74%	3.64%	11.35%	3.85%	2.32%	25.04%	-19.68%	45.53%	9.67%	-14.82%	-9.03%
MSCI EM (Emerging Markets) - Net Return	9.56%	-1.16%	10.54%	2.42%	8.97%	3.74%	2.50%	18.42%	-14.57%	37.28%	11.19%	-14.92%	-2.19%
Excess Return (Gross)	**4.08%**	**6.42%**	**9.12%**	**3.87%**	**5.22%**	**2.77%**	**2.44%**	**9.76%**	**-2.99%**	**11.86%**	**1.35%**	**2.26%**	**-4.43%**

Past Performance is no guarantee of future results. The source for all charts/tables is Factset. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the composite, disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of September 30, 2020 unless otherwise noted. All data are subject to change.

Performance Commentary

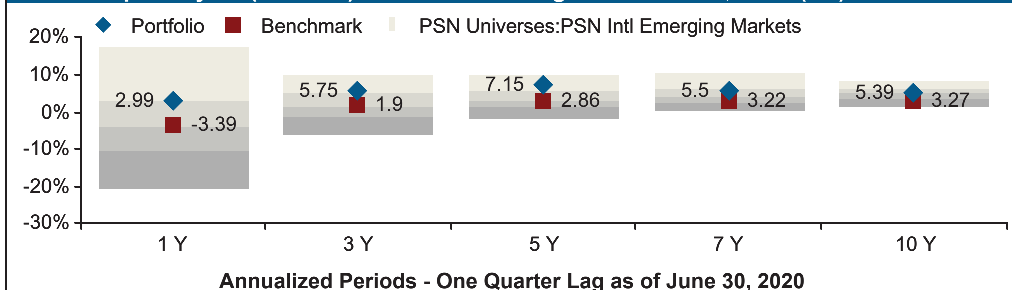
• The portfolio outperformed the MSCI Emerging Markets for the quarter. Stock selection was positive and sector positioning was positive.

• The top contributing sectors were Information Technology, Financials, and Consumer Staples. The top detracting sectors were Consumer Discretionary, and Materials. From an industry perspective, Semiconductors & Semiconductor Equipment, Banks, and Wireless Telecommunication Services added value, while Automobiles, Technology Hardware Storage & Peripherals, and Internet & Direct Marketing Retail detracted.

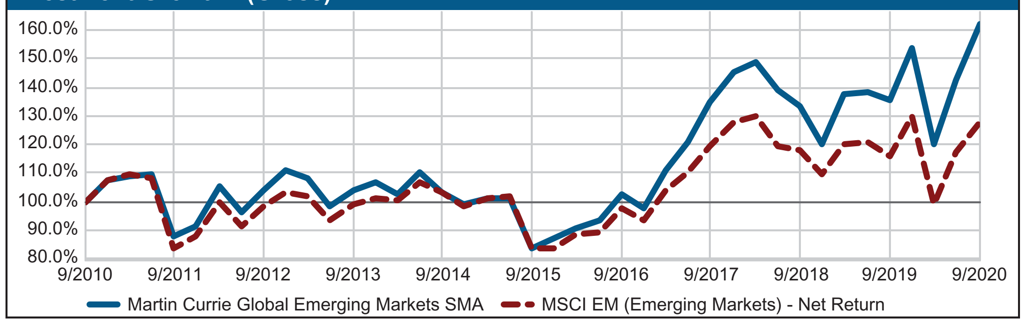
• From a country perspective, Taiwan, South Africa, and Thailand added value, while China, and India detracted.

• Within the portfolio, companies with a price/earnings between 16.0x and 20.0x contributed to returns while companies with a price/earnings between 12.0x and 16.0x detracted. And finally, companies with moderate beta added value during the quarter.

Peer Group Analysis (Returns) - One Quarter Lag as of June 30, 2020 (Q2)



Investment Growth - (Gross)



Portfolio Characteristics

Portfolio Characteristics

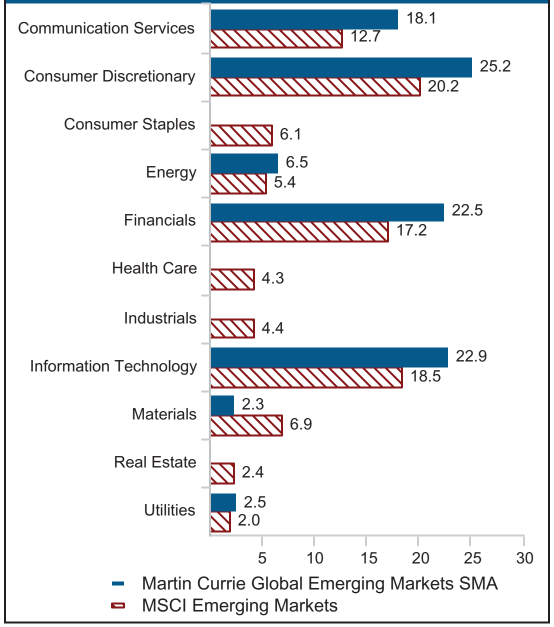
	Strategy	Bmk
# of Securities	23	1387
Market Cap ($M)	302,236	114,440
P/E - Trailing 12-Mo.	18.4	16.9
Adj. P/E - trailing 12-Mo.	18.4	16.0
P/E - Forecast FY1*	19.6	16.1
Price-to- Book	2.9	1.7
Return on Equity	18.5	13.6
EPS Growth - Forecast*	17.2	16.1
EPS Growth - Hist. 5 Year	18.7	15.7
Distribution Rate	1.52	2.34
Active Share	84.6	--

*Forecasts based on analysts' consensus

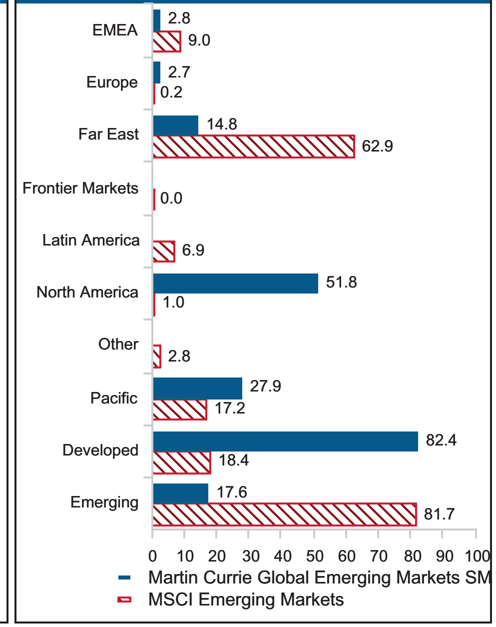
Top 10 Holdings

	% of Equity
Martin Currie SMASh Series EM...	45.00
Alibaba Group Holding Ltd. Spo...	10.07
Taiwan Semiconductor Manufactu...	9.44
Tencent Holdings Ltd. Unsponso...	8.82
EPAM Systems, Inc.	3.14
Ping An Insurance (Group) Comp...	3.09
Prosus N.V. Sponsored ADR	2.68
AIA Group Limited Sponsored AD...	2.28
Industrial and Commercial Bank...	1.43
China Gas Holdings Limited Uns...	1.38
Total	**87.33**

Economic Sector Allocation



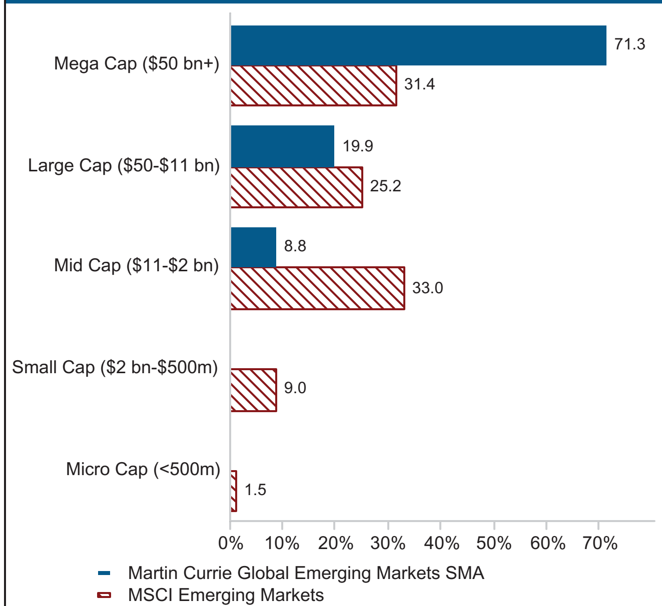
Regional Allocation



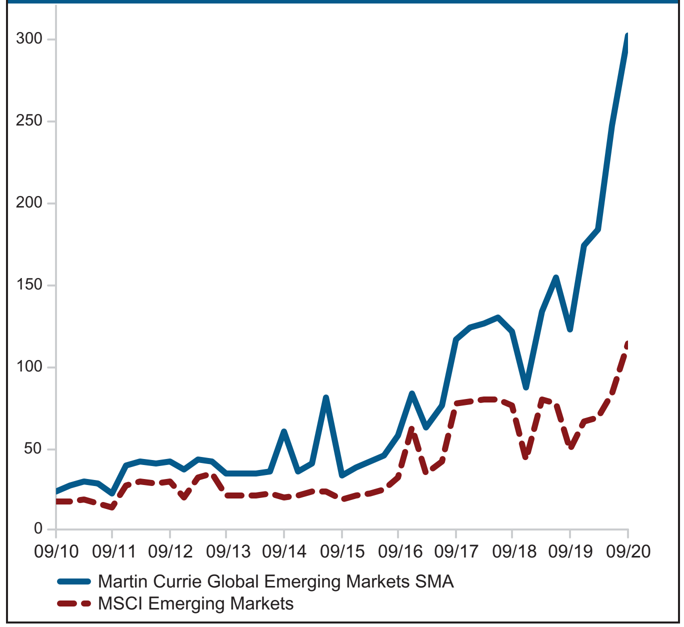
Quarterly Performance

	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
4Q 2017	7.95	7.28	7.44	0.51
1Q 2018	2.35	1.74	1.42	0.93
2Q 2018	-6.88	-7.49	-7.96	1.08
3Q 2018	-3.94	-4.55	-1.09	-2.85
4Q 2018	-9.95	-10.59	-7.46	-2.49
1Q 2019	14.79	14.13	9.92	4.87
2Q 2019	0.43	-0.20	0.61	-0.18
3Q 2019	-2.19	-2.83	-4.25	2.06
4Q 2019	13.68	12.98	11.84	1.84
1Q 2020	-21.95	-22.47	-23.60	1.65
2Q 2020	18.67	17.96	18.08	0.59
3Q 2020	13.64	12.98	9.56	4.08

Market Capitalization Distribution



Market Capitalization ($M)



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Communication Services	-2.75	0.12	-0.08	0.04
Consumer Discretionary	-6.37	-0.85	-0.21	-1.06
Consumer Staples	-6.08	0.31	0.09	0.39
Energy	-1.86	0.18	0.01	0.19
Financials	-4.76	0.57	0.16	0.73
Health Care	-4.32	0.29	-0.07	0.22
Industrials	-4.36	0.30	-0.23	0.06
Information Technology	-5.88	-0.45	1.44	0.99
Materials	-5.66	-0.08	-0.06	-0.14
Real Estate	-2.38	0.17	0.14	0.32
Utilities	-0.58	0.08	-0.04	0.04
Total	0.00	1.50	1.14	2.64

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Communication Services	-2.75	-0.48	1.26	0.78
Consumer Discretionary	-6.37	-1.29	0.65	-0.64
Consumer Staples	-6.08	0.22	0.21	0.43
Energy	-1.86	0.59	-0.15	0.44
Financials	-4.76	1.27	-0.81	0.45
Health Care	-4.32	-1.00	-0.18	-1.18
Industrials	-4.36	0.69	-0.31	0.38
Information Technology	-5.88	-1.18	2.63	1.46
Materials	-5.66	0.11	0.08	0.19
Real Estate	-2.38	0.62	0.17	0.79
Utilities	-0.58	0.11	-0.05	0.06
Total	--	1.13	3.49	4.62

Regional Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-6.15	1.03	-0.02	1.01
Europe	2.49	0.09	-0.20	-0.11
Far East	-48.17	0.52	1.70	2.22
Frontier Markets	-0.04	0.02	-0.01	0.01
Latin America	-6.91	0.52	0.33	0.85
North America	50.86	-2.00	2.75	0.75
Pacific	10.70	1.99	-4.12	-2.12
Total	--	2.21	0.43	2.64

Regional Attribution - Year to Date

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-6.15	2.31	0.21	2.52
Europe	2.49	0.68	0.05	0.73
Far East	-48.17	-1.86	-0.17	-2.04
Frontier Markets	-0.04	0.01	-0.06	-0.05
Latin America	-6.91	3.12	-0.39	2.73
North America	50.86	-1.90	3.53	1.63
Pacific	10.70	5.38	-6.35	-0.97
Total	--	7.80	-3.18	4.62

Top Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.
Martin Currie SMASh Serie...	42.83	5.61
Taiwan Semiconductor Manu...	9.25	3.63
Alibaba Group Holding Ltd...	9.21	3.06
EPAM Systems, Inc.	2.89	0.72
Tencent Holdings Ltd. Uns...	8.89	0.48

Current Quarter

	Avg. Weight	Wtd. Contrib.
[Unassigned]	42.83	5.61
Taiwan	9.25	3.63
China	27.12	2.80
United States	2.92	0.69
South Africa	0.26	0.30

Year to Date

	Avg. Weight	Wtd. Contrib.
Taiwan Semiconductor Manu...	8.86	4.04
Tencent Holdings Ltd. Uns...	8.37	3.72
Alibaba Group Holding Ltd...	8.97	3.31
Martin Currie SMASh Serie...	41.00	1.73
EPAM Systems, Inc.	2.63	1.20

Year to Date

	Avg. Weight	Wtd. Contrib.
China	27.18	4.50
Taiwan	8.86	4.04
[Unassigned]	41.00	1.73
Netherlands	2.45	1.08
United States	3.67	0.87

Bottom Contributors to Performance

Current Quarter

	Avg. Weight	Wtd. Contrib.
Infosys Limited Sponsored...	0.26	-0.31
Industrial and Commercial...	1.60	-0.19
PT Bank Mandiri (Persero)...	0.08	-0.19
Copa Holdings, S.A. Class...	0.04	-0.18
PT Telekomunikasi Indones...	0.81	-0.16

Current Quarter

	Avg. Weight	Wtd. Contrib.
Indonesia	2.30	-0.45
Panama	0.04	-0.18
India	2.33	-0.12
Russia	1.87	-0.10
Argentina	0.05	-0.08

Year to Date

	Avg. Weight	Wtd. Contrib.
Itau Unibanco Holding S.A...	0.59	-1.26
Credicorp Ltd.	1.61	-1.15
Grupo Financiero Banorte...	0.48	-1.12
PT Bank Rakyat Indonesia...	1.45	-1.05
ICICI Bank Limited Sponso...	1.13	-0.98

Year to Date

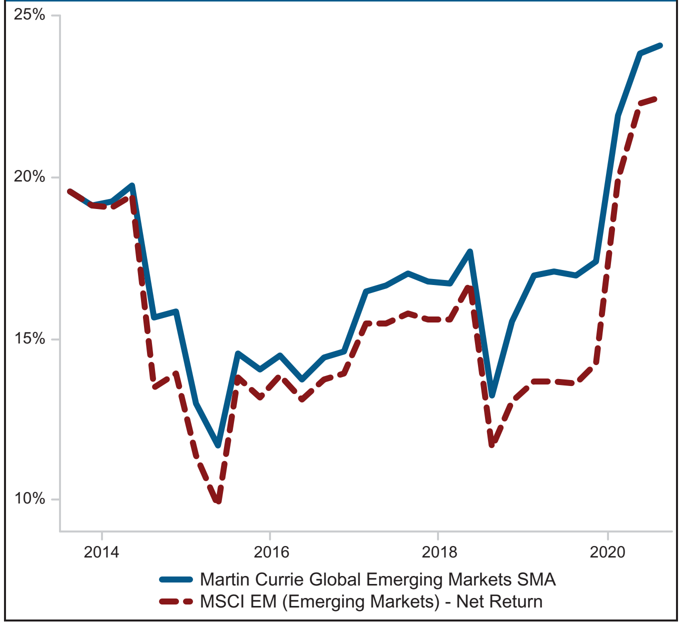
	Avg. Weight	Wtd. Contrib.
Brazil	2.54	-2.03
India	2.70	-1.96
Indonesia	2.50	-1.76
Mexico	0.61	-0.97
Peru	2.76	-0.97

Portfolio Performance and Risk Statistics (Gross of Fees)

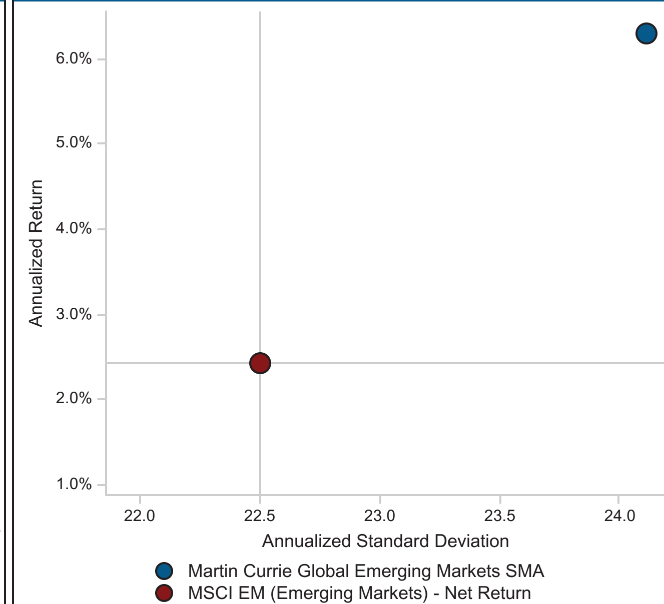
Risk Statistics vs. Benchmark

	3-Year	5-Year
Alpha	3.8%	4.5%
Beta	1.1	1.1
R2	96.8%	96.0%
Tracking Error	4.5%	4.2%
Information Ratio	0.9	1.3
Batting Average	75.0%	75.0%
Up Capture Ratio	128.2%	144.4%
Down Capture Ratio	100.3%	101.1%
Standard Deviation	24.1	20.1
Standard Deviation (Bmk)	22.5	18.6
Sharpe Ratio	0.2	0.7

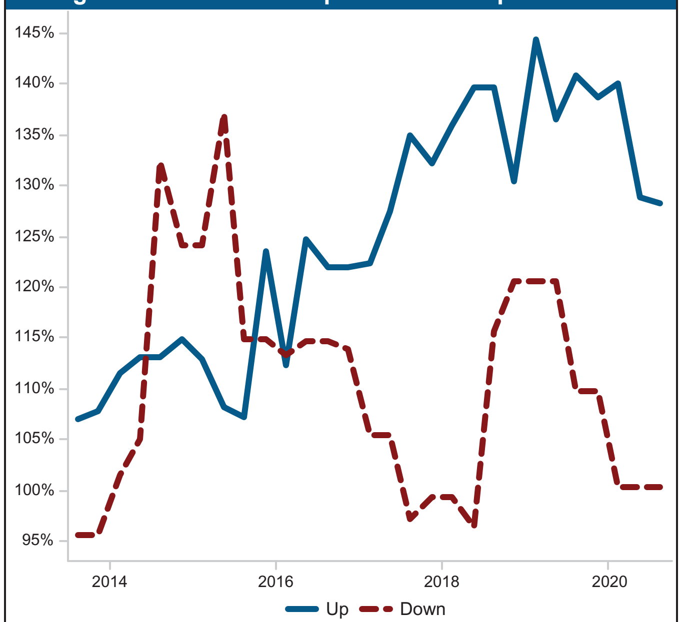
Rolling 3-Year Annualized Volatility



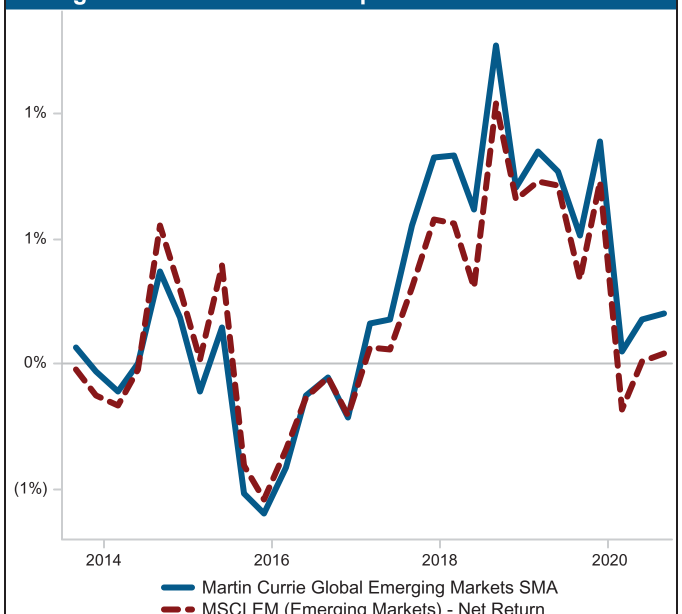
Risk-Reward - 3 Year (Annualized)



Rolling 3-Year Annualized Up and Down Capture Ratio



Rolling 3-Year Annualized Sharpe Ratio



Rolling 3-Year Annualized Information Ratio

Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.
Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.
ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.
Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.
Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.
Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.
Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.
Correlation – a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.
Distribution Rate - is defined as the most recent distribution paid, annualized, and then divided by the current market price. Distribution rate may consist of investment income, short-term capital gains, long-term capital gains, and/or return of capital
Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.
Duration – quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.
EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.
EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.
Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.
Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.
Market Cap ($M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.
Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.
Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.
P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.
Peer Group Analysis – using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile. Data shown in this document is displayed on a one quarter lag and reflects the previous quarter end information.
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 (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 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.
SEC 30-Day Yield - is a standardized calculation method prescribed by the SEC and represents net income for the most recent 30-day period, which is annualized and shown as a percentage.
Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.
Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.
Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.
Total Effect - is the sum of all effects.
Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.
Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

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

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

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Important Disclosures

REPORT FOR USE ONLY IN INVESTMENT ADVISORY PROGRAMS
This report is only to be used in Morgan Stanley Smith Barney LLC ("Morgan Stanley") investment advisory programs and not in connection with brokerage accounts.

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

FOCUS LIST, APPROVED LIST AND TACTICAL OPPORTUNITIES LIST; WATCH POLICY
GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. Sometimes an investment product may be evaluated using the Focus List process but then placed on the Approved List instead of the Focus List.
Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status). Recent status changes may not be reflected in this report. Please refer to the GIMA manager analysis report for current status ratings.
GIMA has a "Watch" policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved." The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager or fund to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.
Certain investment products on either the Focus List or Approved List may also be recommended for the Tactical Opportunities List based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time.
Focus, Approved, Tactical Opportunities, and Watch status shown in this report is as of the last day of the immediately preceding quarter.
For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisorcan 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.
Overlay Managers or Executing Sub-Managers ("managers") in some of Morgan Stanley's Separately Managed Account ("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. If your manager trades with another firm, you may be assessed costs by the other firm in addition to Morgan Stanley's fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain managers have historically directed most, if not all, of their trades to outside firms. Information provided by managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor/Private Wealth Advisor.

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General
Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance shown in this report.
Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.
Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.
An investor's actual returns may differ from those shown in this report or other performance reports published by Morgan Stanley. Contact your Financial Advisor or Private Wealth Advisor for your personal performance data.

Sources of Performance Results and Other Data
The performance data and certain other information for this strategy (including the data on page 1 of this report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of 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: 0.50% maximum quarterly (2.0% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time. Actual client performance may differ from investment returns detailed in this report.
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 September 24, 2018.

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

Important Disclosures

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.

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. Interest on ***municipal bonds*** is generally exempt from federal income tax; however, some bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, if applicable, local tax-exemption applies if securities are issued within one's city of residence. ***Treasury Inflation Protection Securities' (TIPS)*** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. ***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.

Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be appropriate 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. ***Asset-backed securities*** generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.

Senior loans: are generally rated below investment-grade by rating agencies, and entail greater credit risk than higher quality, investment-grade securities such as U.S. Treasuries. In the event a borrower stops paying interest or principal on a loan, the collateral used to secure the loan may not be entirely sufficient to satisfy the borrower's obligations and, in some cases, may be difficult to liquidate on a timely basis. While senior loans offer higher interest income when interest rates rise, they also will generate less income when interest rates decline. The initial interest rate on a ***floating-rate 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 security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. Many floating rate securities specify rate minimums (floors) and maximums (caps). Floaters are not protected against interest rate risk. In a declining interest rate environment, floaters will not appreciate as much as fixed rate bonds. A decline in the applicable benchmark rate will result in a lower interest payment, negatively affecting the regular income stream from the floater. ***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. ***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.

Global Investment Manager Analysis | July 31, 2020

Focus List Report

Martin Currie Emerging Markets

Highlights

- The Martin Currie Emerging Markets Fund and its Separately Managed Account (SMA) strive to identify miss-priced businesses through fundamental research. Marin Currie seeks high quality companies with strong growth opportunities while employing a disciplined approach to valuation.
- The strategy's focus on stock selection drives its sector and country allocations and its long term investment horizon generally equates to lower annual turnover.
- Although this is not an ESG designated strategy, ESG factors are a key part of the team's sustainability analysis and the factors are incorporated into the financial modeling process for each company.
- The SMA and mutual fund are run identically; however, the SMA is made up of ADR securities that are listed in the US and a no-fee completion fund of local shares, where ADRs are not available. There is a 100% holdings overlap.
- Martin Currie is an Edinburgh-based investment manager that is an independent affiliate of Legg Mason. Franklin Templeton announced the acquisition of Legg Mason. Martin Currie will continue to have complete investment autonomy.

Performance Expectations

- Due to its bottom-up research focused investment process, the strategy should outperform in fundamentally driven markets, and lag when markets are characterized by macro-economic events. The team makes every effort to alleviate large swings due to macro or political factors.
- The strategy has a quality and growth bias with a valuation overlay that is factored in at a later stage in the investment process. GIMA expects the strategy to outperform when quality and growth are in favor and keep pace when value is in favor.

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Strategy Details

Investment Style:
Emerging Markets Equities

Sub-Style:
Blend

Benchmark:
MSCI Emerging Markets Index (Net)

GIMA Status:
Focus List

Product Type:
Separately Managed Account & Mutual Fund

Ticker Symbol:
MCEIX (TRAK FS, UMA)

https://www.martincurrie.com

Strategy Description

The Martin Currie Emerging Markets strategy is a bottom-up, high conviction blend strategy that seeks companies with strong balance sheets and perceived strong revenue and earnings growth. This is a fairly concentrated emerging markets equity portfolio.

Positive Attributes

- Experience portfolio management team solely dedicated to managing assets for the emerging markets strategy.
- The team believes that ESG are important factors in their investment approach. The strategy is a top ranked by United Nations-supported Principles of Responsible Investment (UNPRI).
- Sector/Country allocations are driven by fundamental research, where stock selection drive portfolio exposures.
- The risk team helps with oversight by working to understand the portfolio shape, risk factors, and exposures inherent at the portfolio level.
- Martin Currie is an independent affiliate of Legg Mason. The firm is located in Edinburgh, Scotland.

Points to Consider

- Long-term investment horizon of approximately 5 years, yielding a lower annual turnover, ~30% annually.
- The investment team seeks to build a high conviction portfolio of 40 – 60 stocks by combining a quality and growth discipline with a valuation overlay. The investment team avoids chasing growth or quality at any price. The investment team expects the strategy to have tracking error no greater than 8% per year.
- The SMA and mutual fund have a 100% holdings overlap, with the SMA holding a no-fee completion fund comprised of local shares where ADRs are not available. ADRs will make up a majority of the SMA.
- In February 2020, Franklin Templeton Investments announced the acquisition of Legg Mason, creating a $1.5 trillion AUM Global Investment Manager. The deal will close in 3Q 2020. Martin Currie will remain independent affiliate with complete investment autonomy.

Areas of Concern

- The mutual fund has a short track record; however, the team has been managing the strategy since 2010.
- The SMA has a short track record with an inception of February 2018 and with the firm seeding assets.

Portfolio Management Team & Investment Process

- The team is led by Kim Catechis as the Head of Global Emerging Markets. He is responsible for macro and political research. He is joined by six portfolio managers with coverage assigned by sector. Any portfolio action requires consensus from all.
- The Martin Currie Emerging Markets team's investment philosophy looks for mispriced businesses that can provide long-term value creation. Through their fundamental research the team looks for quality companies with strong ROE, strong balance sheets, strong governance, and franchise sustainability.
- The team focuses on Growth and Value features expected to unlock the hidden potential of the company. From a growth perspective they seek to identify companies that have scalable opportunities, sustainable growth prospects, and the ability to reinvest and grow. For valuation, the team views businesses with a long-term perspective, uses a disciplined and consistent valuation approach, and incorporates country-specific hurdle rates in their models.
- The 3 components of the fundamental research process:
    - Financial: long-term modeling, cash flow analysis, scenario analysis, DCF valuation, and peer comparisons.
    - Qualitative/ESG: company's life-cycle, governance assessment, sustainability assessment, and extensive contact with company management, and reviews accounting quality.
    - Top Down: sources of risk, long-term risk reflected via country specific cost of equity, and short-term risks embedded into research and construction process.
- Country-specific hurdle rates are incorporated in each business's Discounted Cash Flow (DCF) models. They will determine a country's cost of equity to calculate a Weighted Average Cost of Capital (WACC) that will be used in the DCF models. Each country's bond market helps to assess and compare risks against one another.
- The portfolio managers will publish an investment thesis on each idea to discuss at length with team members before it can be deemed acceptable for the team's Approved Research List of stocks.
- The team believes that by adding ESG fundamental work it improves the process and benefits clients. The ESG analysis helps the team to understand how a company and its management operate.
- If a company does not possess attractive ESG factors, the team will not continue with further fundamental analysis. They will purchase companies that might not have a high ESG rating but will help the company guide through the issues in discussions with management and shareholders meetings.
- A company will be sold if the investment case has been undermined or the conviction is lower, the stock has reached its target price with little upside, or there is a higher conviction idea.

PORTFOLIO TRAITS

Range of Holdings	40 - 60 mutual Fund; 25 - 35 ADR (includes completion fund)
Typical Annual Turnover	0% - 40%
Invests in Derivatives	No
Max. Position Size	10%
Econ Sector Constraints	None
Country Constraints	None
Currency Hedging	No
Invests in ADRs	Yes
Invests in ETFs	Yes (Max: 10%)
Invests in IPOs	No
Max. Cash	5%
Typical Cash Position	< 2%

Source: Martin Currie

OWNERSHIP & PARENT COMPANY

Name of Owner	Legg Mason
Percentage Owned	100%
Publicly Traded	Yes
Ticker Symbol	LM

Source: Martin Currie

ASSETS UNDER MANAGEMENT ($ MILLIONS)

YEAR	FIRM	STRATEGY	FUND
1Q 2020	$12,031	$236	$157
2019	$17,257	$193	$177
2018	$15,000	$2	$139
2017	$19,856	--	$110
2016	$14,385	--	$3
2015	$11,433	--	$3

Source: Martin Currrie
*Total Emerging Markets strategy AUM is $3.1B.

Disclosure Section

Definitions

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 Emerging Markets Index - The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets

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.

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.

GIMA defines the Adverse Active Alpha (AAA) ranking model as follows:
Global Investment Manager Analysis provides comprehensive manager analysis for Morgan Stanley's investment advisory platforms on a wide range of investment products, including separately managed accounts, mutual funds and exchange-traded funds in the equity, fixed income and alternative investment categories.

Adverse Active Alpha (AAA)
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 all products, r2 is used to measure the degree of differentiation from the benchmark 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 r2 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 and Value Score ranking models:

In our view, the Adverse Active Alpha and Value Score manager rankings are an important part of evaluating managers for consideration. However, we do recognize that these ranking models cannot, in and of themselves, 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.

GIMA 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 or Value Score ranking. Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors. For more information on the ranking models, please see Adverse Active AlphaSM 2.0: Scoring Active Managers According to Potential Alpha. This Special Report is available by request 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.

*High Adverse Active Alpha is generally defined as falling into the top two quintiles (40%) within the ranking model. 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.

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 (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.

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.

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

Consider Your Own Investment Needs
This report is not intended to be a client specific 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 and frontier 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. Morgan Stanley charges each fund family we offer a mutual fund support fee, also called a "revenue-sharing payment," on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

Morgan Stanley

WEALTH MANAGEMENT

Global Investment Manager Analysis

Neuberger Berman Emerging Markets Equity ADR

Status: Approved
Investment Style: Emerging Market Equities
Benchmark: MSCI Emerging Markets
September 30, 2020 (Q3)

Strategy Description

The portfolio utilizes a bottom-up, fundamentally driven process to identify high quality companies in emerging market countries. With an emphasis on companies and businesses that can benefit from domestic demand, the team seeks to identify attractive investment opportunities in under-researched companies.

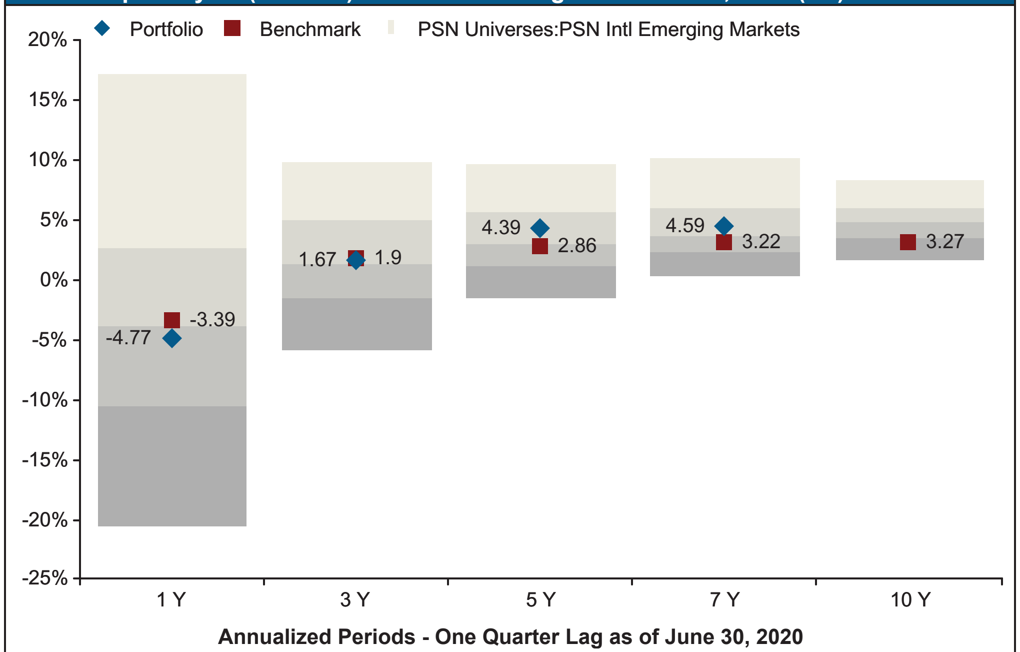
Michael Ketterer
Morgan Stanley Wealth Management
Michael.Ketterer@ms.com
212-296-0085

Trailing Returns

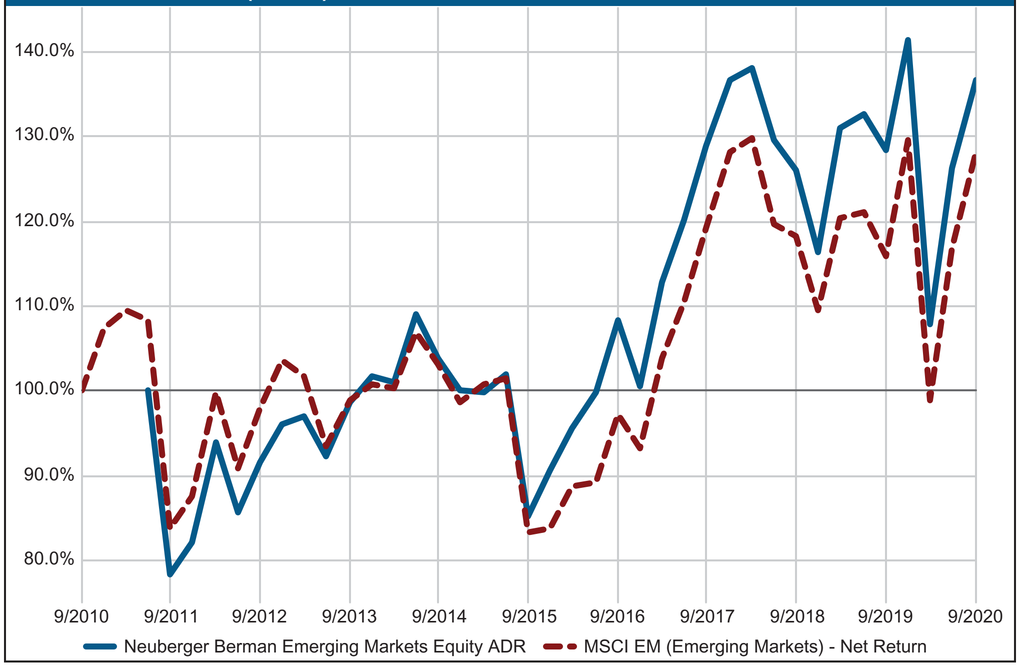
	QTR	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2019	2018	2017	2016	2015	2014
Neuberger Berman Emerging Markets Equity ADR (Gross)	8.11%	-3.32%	6.36%	1.93%	9.89%	4.77%	NA	21.44%	-14.82%	35.68%	10.92%	-9.41%	-1.60%
Neuberger Berman Emerging Markets Equity ADR (Net)	7.51%	-4.99%	3.90%	-0.47%	7.31%	2.29%	NA	18.60%	-16.87%	32.54%	8.25%	-11.54%	-3.99%
MSCI EM (Emerging Markets) - Net Return	9.56%	-1.16%	10.54%	2.42%	8.97%	3.74%	2.50%	18.42%	-14.57%	37.28%	11.19%	-14.92%	-2.19%
Excess Return (Gross)	**-1.45%**	**-2.16%**	**-4.18%**	**-0.49%**	**0.92%**	**1.02%**	**NA**	**3.01%**	**-0.25%**	**-1.60%**	**-0.27%**	**5.50%**	**0.59%**

Past Performance is no guarantee of future results. The source for all charts/tables is Factset. This report is not complete without pages 5, 6 and 7, which contain important notes, including disclosures about the composite, disclosures about the Focus List and the Approved List, index descriptions and a glossary of terms. Information shown is as of September 30, 2020 unless otherwise noted. All data are subject to change.

Peer Group Analysis (Returns) - One Quarter Lag as of June 30, 2020 (Q2)



Investment Growth - (Gross)



Portfolio Characteristics

Portfolio Characteristics

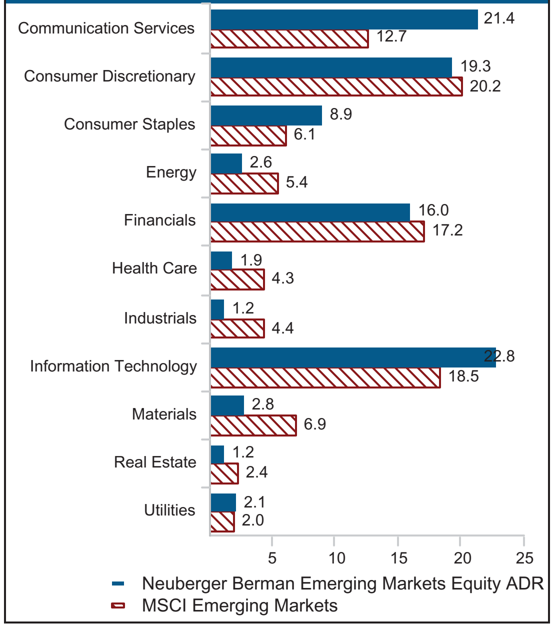
	Strategy	Bmk
# of Securities	55	1387
Market Cap ($M)	171,914	114,440
P/E - Trailing 12-Mo.	20.4	16.9
Adj. P/E - trailing 12-Mo.	19.9	16.0
P/E - Forecast FY1*	21.3	16.1
Price-to- Book	2.6	1.7
Return on Equity	17.3	13.6
EPS Growth - Forecast*	15.3	16.1
EPS Growth - Hist. 5 Year	13.3	15.7
Distribution Rate	1.65	2.34
Active Share	79.8	--

*Forecasts based on analysts' consensus

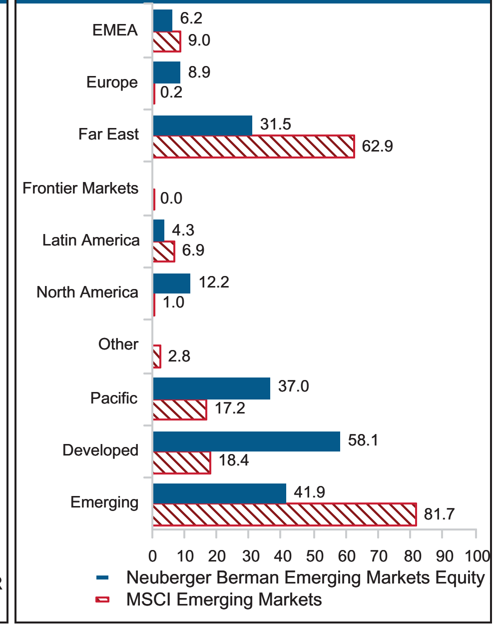
Top 10 Holdings

	% of Equity
Taiwan Semiconductor Manufactu...	9.83
Alibaba Group Holding Ltd. Spo...	8.59
Tencent Holdings Ltd. Unsponso...	8.51
Infosys Limited Sponsored ADR	2.77
Naspers Limited Sponsored ADR...	2.75
JD.com, Inc. Sponsored ADR Cla...	2.74
HDFC Bank Limited Sponsored AD...	2.53
Yandex NV Class A	2.52
SK Telecom Co., Ltd. Sponsored...	2.43
NetEase, Inc. Sponsored ADR	2.35
Total	**45.02**

Economic Sector Allocation



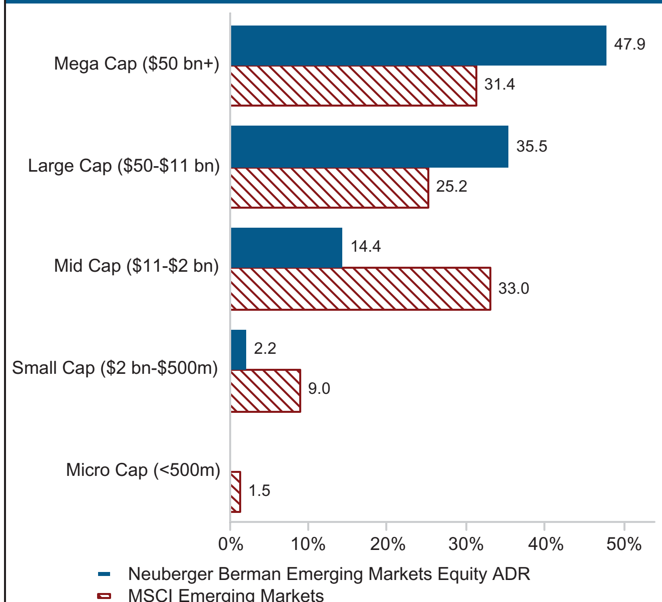
Regional Allocation



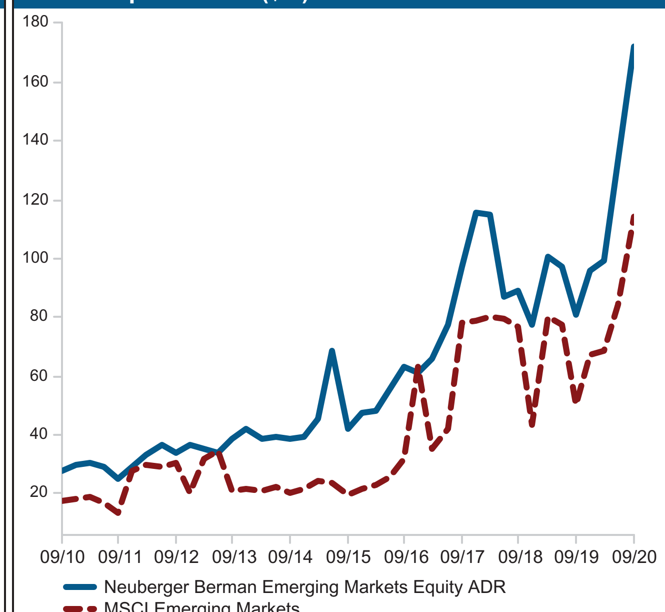
Quarterly Performance

	Strategy (Gross)	Strategy (Net)	Bmk	Excess - Gross
4Q 2017	5.90	5.26	7.44	-1.54
1Q 2018	1.02	0.45	1.42	-0.40
2Q 2018	-6.03	-6.61	-7.96	1.93
3Q 2018	-2.69	-3.27	-1.09	-1.60
4Q 2018	-7.79	-8.39	-7.46	-0.33
1Q 2019	12.55	11.92	9.92	2.63
2Q 2019	1.32	0.72	0.61	0.71
3Q 2019	-3.20	-3.79	-4.25	1.05
4Q 2019	10.01	9.36	11.84	-1.83
1Q 2020	-23.54	-24.02	-23.60	0.06
2Q 2020	16.96	16.31	18.08	-1.12
3Q 2020	8.11	7.51	9.56	-1.45

Market Capitalization Distribution



Market Capitalization ($M)



Portfolio Performance Attribution (Gross of Fees)

Economic Sector Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
Communication Services	8.63	-0.63	0.30	-0.33
Consumer Discretionary	-0.94	-0.32	-1.05	-1.37
Consumer Staples	2.85	-0.17	-0.57	-0.74
Energy	-2.88	0.26	-0.54	-0.28
Financials	-1.19	0.11	0.44	0.55
Health Care	-2.47	0.22	0.37	0.59
Industrials	-3.18	0.22	0.28	0.51
Information Technology	4.35	0.51	-0.56	-0.06
Materials	-4.13	-0.06	-0.18	-0.24
Real Estate	-1.22	0.11	0.15	0.26
Utilities	0.19	-0.05	-0.06	-0.11
Total	0.00	0.21	-1.42	-1.22

Economic Sector Attribution - Year to Date

	Relative Weight	Allocation Effect	Stock Selection	Total Effect
Communication Services	8.63	1.72	-0.95	0.76
Consumer Discretionary	-0.94	-0.97	0.24	-0.73
Consumer Staples	2.85	-0.29	-1.69	-1.98
Energy	-2.88	0.47	-0.55	-0.08
Financials	-1.19	-0.52	-0.41	-0.93
Health Care	-2.47	-0.87	-0.25	-1.12
Industrials	-3.18	0.29	0.20	0.49
Information Technology	4.35	0.87	-1.84	-0.97
Materials	-4.13	0.10	0.48	0.58
Real Estate	-1.22	0.38	0.39	0.76
Utilities	0.19	-0.08	0.03	-0.05
Total	--	1.08	-4.36	-3.27

Regional Attribution - Current Quarter

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-2.79	0.25	-0.42	-0.17
Europe	8.69	0.18	-1.18	-1.00
Far East	-31.49	0.36	2.31	2.67
Frontier Markets	-0.04	0.00	--	0.00
Latin America	-2.65	0.26	0.06	0.31
North America	11.26	-0.19	-0.20	-0.40
Pacific	19.79	3.25	-5.90	-2.65
Total	--	4.12	-5.34	-1.22

Regional Attribution - Year to Date

	Relative Weights	Allocation Effect	Stock Selection	Total Effect
EMEA	-2.79	0.93	-0.14	0.79
Europe	8.69	1.90	-2.70	-0.79
Far East	-31.49	-1.09	-3.81	-4.90
Frontier Markets	-0.04	0.01	--	0.01
Latin America	-2.65	0.18	0.24	0.42
North America	11.26	0.22	1.66	1.88
Pacific	19.79	7.78	-8.51	-0.73
Total	--	9.98	-13.25	-3.27

Top Contributors to Performance

Current Quarter

Current Quarter	Avg. Weight	Wtd. Contrib.	Current Quarter	Avg. Weight	Wtd. Contrib.
Taiwan Semiconductor Manu...	9.20	3.16	China	36.76	3.25
Alibaba Group Holding Ltd...	6.84	2.15	Taiwan	11.95	2.99
Infosys Limited Sponsored...	2.50	0.88	India	7.93	1.58
Yandex NV Class A	2.56	0.67	Netherlands	7.20	0.85
JD.com, Inc. Sponsored AD...	1.03	0.40	Korea	3.46	0.33

Year to Date

Year to Date	Avg. Weight	Wtd. Contrib.	Year to Date	Avg. Weight	Wtd. Contrib.
Taiwan Semiconductor Manu...	7.93	3.26	China	35.47	3.52
Tencent Holdings Ltd. Uns...	7.99	2.63	Taiwan	10.78	2.94
Alibaba Group Holding Ltd...	5.47	2.27	Netherlands	6.55	1.45
MercadoLibre, Inc.	0.60	1.47	United States	2.88	1.34
NetEase, Inc. Sponsored A...	2.80	1.43	Canada	1.92	1.08

Bottom Contributors to Performance

Current Quarter

Current Quarter	Avg. Weight	Wtd. Contrib.	Current Quarter	Avg. Weight	Wtd. Contrib.
Oil company LUKOIL PJSC S...	2.07	-0.35	Russia	3.85	-0.32
Momo Inc Sponsored ADR Cl...	0.88	-0.31	United Kingdom	1.85	-0.16
Network International Hol...	0.89	-0.26	Indonesia	1.49	-0.14
Dairy Farm International...	1.22	-0.24	Peru	1.57	-0.13
Baozun Inc Sponsored ADR...	1.44	-0.15	Portugal	1.31	-0.11

Year to Date

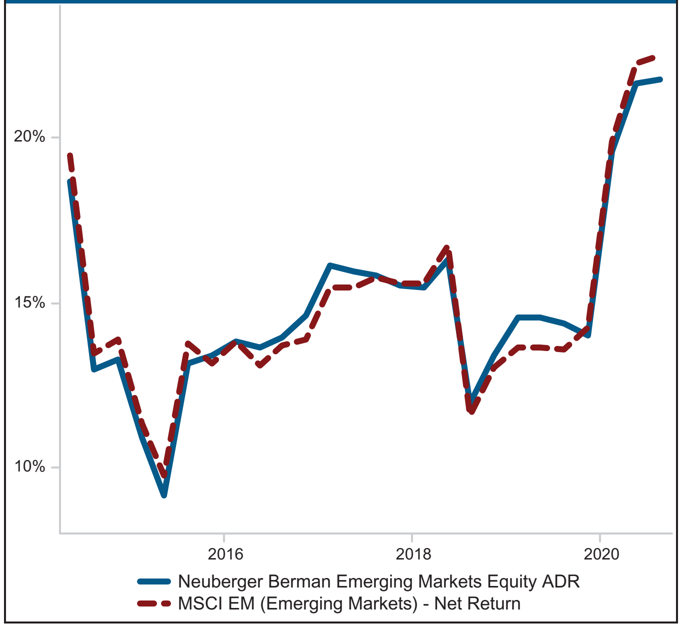
Year to Date	Avg. Weight	Wtd. Contrib.	Year to Date	Avg. Weight	Wtd. Contrib.
Credicorp Ltd.	2.04	-1.30	Brazil	5.02	-2.19
ICICI Bank Limited Sponso...	1.74	-1.26	Mexico	3.20	-1.79
HDFC Bank Limited Sponsor...	2.57	-1.12	Indonesia	2.20	-1.77
Oil company LUKOIL PJSC S...	2.44	-1.01	Peru	2.04	-1.30
Momo Inc Sponsored ADR Cl...	0.91	-0.90	Russia	4.35	-1.26

Portfolio Performance and Risk Statistics (Gross of Fees)

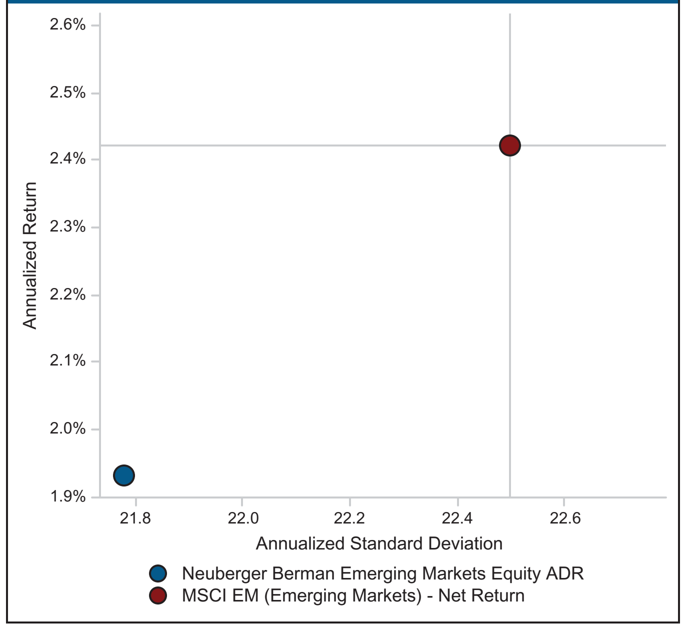
Risk Statistics vs. Benchmark

	3-Year	5-Year
Alpha	-0.4%	1.2%
Beta	1.0	1.0
R2	98.3%	95.0%
Tracking Error	2.9%	4.2%
Information Ratio	-0.2	0.2
Batting Average	41.7%	45.0%
Up Capture Ratio	93.8%	110.3%
Down Capture Ratio	98.0%	102.8%
Standard Deviation	21.8	18.5
Standard Deviation (Bmk)	22.5	18.6
Sharpe Ratio	0.0	0.5

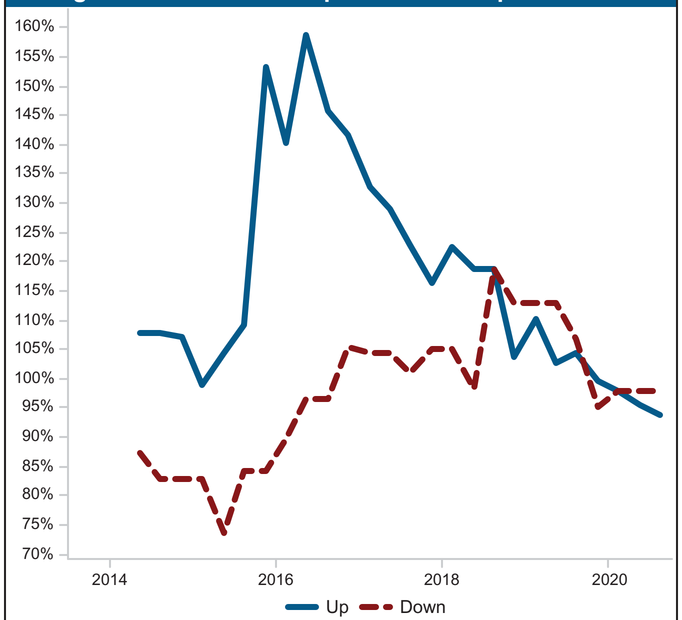
Rolling 3-Year Annualized Volatility



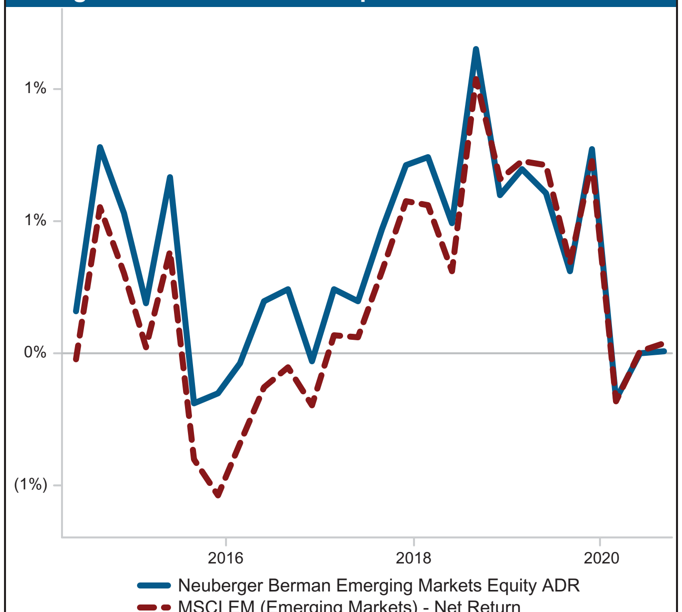
Risk-Reward - 3 Year (Annualized)



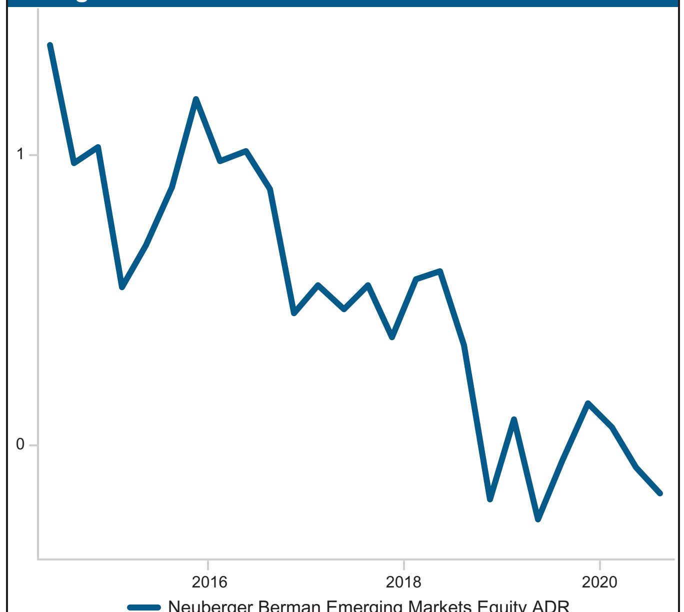
Rolling 3-Year Annualized Up and Down Capture Ratio



Rolling 3-Year Annualized Sharpe Ratio



Rolling 3-Year Annualized Information Ratio



Glossary of Terms

Active Share - is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.
Adjusted P/E - Trailing 12 Mo. - is a P/E calculation that excludes outliers (both high and low) from an aggregate P/E calculation. If a company's P/E falls outside the range, that P/E is considered NA. The weighted average is then calculated including only the P/E's of the companies within the range. P/E ratios that are exceedingly high or low (even negative) may potentially distort an unadjusted P/E ratio.
ADRs - American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market.
Allocation Effect - is the portion of portfolio excess return attributed to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the weight of the portfolio's group minus the weight of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark in aggregate.
Alpha - measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.
Batting Average - measures how frequently a portfolio outperforms its benchmark on a quarterly basis. The statistic is obtained by dividing the number of quarters in which the portfolio outperformed the total return of the benchmark by the total number of quarters. For example, a portfolio with a batting average of 60% has outperformed the index more than it has underperformed.
Beta - measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.
Correlation – a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.
Distribution Rate - is defined as the most recent distribution paid, annualized, and then divided by the current market price. Distribution rate may consist of investment income, short-term capital gains, long-term capital gains, and/or return of capital
Down Capture Ratio - the ratio of the portfolio's overall performance to the benchmark's overall performance, considering only periods that are negative in the benchmark. A Down Capture Ratio of less than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's negative quarters and preserves more of the portfolio's value during down markets.
Duration – quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. Generally, if interest rates rise, bond prices fall and vice versa. Longer-term bonds carry a longer or higher duration than shorter-term bonds; as such, they would be affected by changing interest rates for a greater period of time if interest rates were to increase. Consequently, the price of a long-term bond would drop significantly as compared to the price of a short-term bond.
EPS Growth - Forecast - a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.
EPS Growth - 5 Year Forecast - The weighted average annualized earnings per share growth for a portfolio over the past five years.
Excess Return - represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.
Information Ratio - represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.
Market Cap ($M) - the average portfolio market capitalization (market price multiplied by shares outstanding), weighted by the proportion of the portfolio's assets invested in each stock.
Maturity - the weighted average portfolio length of time until the principal amount of a bond must be repaid.
Mortgage-backed securities (MBS) - securities backed by a mortgage loan or a pool of mortgage loans secured by real property. Investors receive payments of interest and principal that are derived from payments received on the underlying mortgage loans.
P/E - Trailing 12-Mo. - the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.
Peer Group Analysis – using Morningstar quartiles for mutual funds and PSN quartiles for separately managed accounts, the quartiles divide the return data into four equal regions. The quartile measure shows how well a fund or separately managed account has performed compared to all other products in its peer group. The top 25% (or quarter) are in the first quartile, the next 25% are in the second, and the next group is in the third quartile. The 25% with the weakest performance are in the fourth quartile. Data shown in this document is displayed on a one quarter lag and reflects the previous quarter end information.
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 (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 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.
SEC 30-Day Yield - is a standardized calculation method prescribed by the SEC and represents net income for the most recent 30-day period, which is annualized and shown as a percentage.
Stock Selection Effect - is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's selection effect equals the weight of the benchmark's group multiplied by the total return of the portfolio's group minus the total return of the benchmark's group.
Sharpe Ratio - measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.
Standard Deviation - quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.
Total Effect - is the sum of all effects.
Tracking Error - represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.
Up Capture Ratio - measures the portfolio's overall performance to the benchmark's overall performance, considering only periods that are positive in the benchmark. An Up Capture Ratio of more than 100% indicates a portfolio that outperforms the relative benchmark in the benchmark's positive quarters.

Index Descriptions and Disclosures

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

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

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Important Disclosures

REPORT FOR USE ONLY IN INVESTMENT ADVISORY PROGRAMS

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

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

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

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

GIMA uses two methods to evaluate investment products in applicable advisory programs: Focus (and investment products meeting this standard are described as being on the Focus List) and Approved (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. Sometimes an investment product may be evaluated using the Focus List process but then placed on the Approved List instead of the Focus List.

Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status). Recent status changes may not be reflected in this report. Please refer to the GIMA manager analysis report for current status ratings.

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

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

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

For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley. Your Financial Advisor or Private Wealth Advisorcan 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.

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

CONSIDER YOUR OWN INVESTMENT NEEDS

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

PERFORMANCE AND OTHER PORTFOLIO INFORMATION

General

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

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

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

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

Sources of Performance Results and Other Data

The performance data and certain other information for this strategy (including the data on page 1 of this report) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of 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: 0.50% maximum quarterly (2.0% maximum annual) MS Advisory Fee and 0.0175% maximum quarterly (0.07% maximum annual) Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus the quarterly SMA Manager Fee currently charged by this investment manager to new clients for managing their assets in this strategy in the Select UMA program. The SMA Manager Fees range from 0.05% to 0.1875% per Quarter (0.20% to 0.75% per year) and may differ from manager to manager, and managers may change their fee to new clients from time to time. Actual client performance may differ from investment returns detailed in this report.

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 September 24, 2018.

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

Important Disclosures

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.

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. Interest on ***municipal bonds*** is generally exempt from federal income tax; however, some bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, if applicable, local tax-exemption applies if securities are issued within one's city of residence. ***Treasury Inflation Protection Securities' (TIPS)*** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. ***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.
Mortgage-backed securities ("MBS"), which include collateralized mortgage obligations ("CMOs"), also referred to as real estate mortgage investment conduits ("REMICs"), may not be appropriate 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.
Asset-backed securities generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.
Senior loans: are generally rated below investment-grade by rating agencies, and entail greater credit risk than higher quality, investment-grade securities such as U.S. Treasuries. In the event a borrower stops paying interest or principal on a loan, the collateral used to secure the loan may not be entirely sufficient to satisfy the borrower's obligations and, in some cases, may be difficult to liquidate on a timely basis. While senior loans offer higher interest income when interest rates rise, they also will generate less income when interest rates decline. The initial interest rate on a ***floating-rate 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 security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. Many floating rate securities specify rate minimums (floors) and maximums (caps). Floaters are not protected against interest rate risk. In a declining interest rate environment, floaters will not appreciate as much as fixed rate bonds. A decline in the applicable benchmark rate will result in a lower interest payment, negatively affecting the regular income stream from the floater. ***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. ***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.

Morgan Stanley

WEALTH MANAGEMENT

Global Investment Manager Analysis | June 12, 2020

Neuberger Berman Emerging Markets Equity ADR

Approved List Report

Summary of Opinion

- GIMA has a positive view of the Neuberger Berman Emerging Markets Equity strategy, which invests with a Growth at a Reasonable Price (GARP) approach. The team is looking to identify high-quality businesses with strong balance sheets and sustainable cash flow growth.
- GIMA is impressed with the tenure and capabilities of Portfolio Manager, Conrad Saldanha, who has managed the strategy since 2008. He is supported by two associate PMs and three regional analysts. GIMA also has a positive opinion of the broader Central Research, Global Equity, and Emerging Markets Debt analyst teams at Neuberger Berman.
- The portfolio may have significant overweights to non-benchmark securities and may deviate meaningfully on a region, country, and sector basis. Due to the nature of investing in ADRs, the portfolio has historically exhibited an overweight to large- and mega-cap securities.
- Volatility, as measured by standard deviation, has generally been below the index, and the portfolio's beta has averaged below the benchmark.

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STRATEGY DETAILS

Investment Style:
Emerging Market Equities

Sub-Style:
Growth-Oriented

Benchmark:
MSCI Emerging Markets (net)

GIMA Status:
Approved List

Product Type:
Separately Managed Account

www.nb.com

Strategy Description

The portfolio utilizes a bottom-up, fundamentally driven process to identify high-quality companies in emerging market countries. With an emphasis on companies and businesses that can benefit from domestic demand, the team seeks to identify attractive investment opportunities in under-researched companies.

Strategy Attributes

Points to Consider

- The team follows a Growth at a Reasonable Price (GARP) investment approach, looking to identify high-quality companies with strong and sustainable cash flow growth at reasonable valuations.
- The team focuses on bottom-up, fundamental analysis and performs over 1,000 company meetings each year.
- The portfolio can deviate significantly from the benchmark on a market-cap, sector, and country level. Individual security selection is the primary driver of overall portfolio weights.
- The portfolio is constructed of ADRs and generally has a significant overweight to mega- and large-cap names with an underweight to mid- and small-cap companies.

Performance Expectations

- The team follows a GARP investment approach with an emphasis on quality that should do well in a steady global growth environment with moderate inflation. GIMA expects the portfolio to generate stronger relative performance in market environments that generally favor higher-quality companies and when the market is rewarding strong fundamentals.
- The portfolio may tend to underperform when markets have fewer discernible patterns and returns are led by speculative, lower-quality companies with distressed balance sheets.

Investment Capabilities Overview

Portfolio Management Team & Decision-Making

- Conrad Saldanha is Head of Emerging Markets Equity and Portfolio Manager for the portfolio. He has ultimate authority and responsibility for investment decisions.
- Mr. Saldanha is supported by Associate Portfolio Managers Marco Spinar, who focuses on Latin America and EMEA; and Patrick Ru, who focuses on North Asia. Yev Ruzhitsky, Ning Meng, and Sophie Chiu are regional analysts and cover EMEA and South East Asia; and China and North Asia, respectively.
- The team leverages the Neuberger Berman Equity Central Research Department sector analysts, based in Asia, the broader Global Equity team, and the Emerging Markets Debt team.

Investment Process & Portfolio Construction

- The team seeks high-quality emerging markets companies that have higher ROE, lower net debt/EBITDA (ex-financials), and greater earnings growth than the index.
- The team travels extensively and seeks to understand domestic drivers of growth and local demand. They believe that under-researched companies often present attractive investment opportunities.
- The team begins its search with an investable universe of approximately 1,000 emerging markets American Depositary Receipts (ADRs). This universe is narrowed down with a screen for ROE > 15%, net debt/EBITDA < 2.5%, and price/cash flow < 3 year cash flow growth.
- The team performs analysis on the resulting universe of about 200 companies. They conduct over 1,000 company meetings annually to determine the quality and transparency of management teams, business plans, and competitive positioning. The team meets with competitors, suppliers, and clients. The team also incorporates a broader analysis of regulatory, political, macroeconomic, and ESG factors during this stage.
- The team establishes a price target for approximately 100 names that resulted from their fundamental analysis. This valuation work looks at whether a company is mispriced relative to cash flow generation, historical levels and peers. The team is looking to identify 50% upside over three years using discounted price to 3-year cash flow growth and discounted cash flow analysis. The team also considers price/cash flow, P/E, and P/BV as well as core revenues, margins, cap-ex assumptions, and cost of capital.
- The resulting portfolio is between 45-75 positions. Risk factors are assessed at the security and portfolio level and position size is based on the level of conviction and daily liquidity.
- The portfolio may invest outside of the emerging markets when the team views the opportunity as a proxy for specific emerging market exposures or when significant company revenues are derived from emerging market countries.
- Portfolio positions are sold when a stock price approaches the team’s determined target or fundamentals deteriorate. If a more attractive investment opportunity presents itself, the team may also exit from an existing holding.

Portfolio Traits

EQUITY	
Range of Holdings	45-75
Maximum Position Size	5% or benchmark +500bps at time of purchase
Econ Sector Constraints	+/- 25% MSCI EM Index
Country Constraints	+/- 25% MSCI EM Index per country; 25% maximum to non-index countries
Emerging Mkts Constraints	25% max to non MSCI EM countries
Currency Hedging	Allowed, not typically used
Tracking Error Target	4-7%
Typical Annual Turnover	15-45%
Invests in ADRs	Yes
Invests in ETFs	Yes
Invests in Derivatives	Allowed, not typically used
Invests in IPOs	Yes
Liquidity Constraints	At least $200 million in market cap and $2 million in daily trading volume
Maximum Cash	15%
Typical Cash Position	2-5%
Est. Product Capacity	~7 billion

Source: Neuberger Berman

Ownership And Parent Company

NAME OF OWNER	PERCENT OWNED
NBSH Acquisition, LLC	100%
PUBLICLY TRADED	**TICKER SYMBOL**
No	N/A

Source: Neuberger Berman

Assets Under Management ($ Millions)

YEAR	FIRM	SMA
1Q20	$330,000	$503
2019	$356,000	$609
2018	$304,113	$403
2017	$295,170	$280
2016	$255,186	$142
2015	$240,358	$95
2014	$250,041	$71
2013	$241,725	$68

Source: Neuberger Berman

Legal/Compliance

- On April 4, 2019, the SEC commenced a routine cycle examination of Neuberger Berman Investment Advisers LLC and Neuberger Berman Mutual Funds. The examination was closed on July 25, 2019 with no findings.
- In June 2018, the SEC conducted a routine cycle examination of Neuberger Berman Breton Hill ULC ("NBBH"). The examination was completed in September 2018 with no material findings.
- In June 2017, the firm received an examination letter from the SEC focused on certain series of Neuberger Berman Alternative Funds that rely on exemptive orders providing an exemption from Section 15(a) of the 1940 Act and Rule 18f-2 thereunder. The examination was closed in October of 2017 with no findings.

Definitions

MSCI Emerging Markets Index - The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

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.

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.

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".

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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.

The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments (ESG)** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria.

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 and frontier 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.

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.

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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.

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. Morgan Stanley charges each fund family we offer a mutual fund support fee, also called a "revenue-sharing payment," on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.