

Revenue Sharing Fund Families

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

Morgan Stanley charges each fund family we offer a mutual fund support fee, also called revenue-sharing, up to a maximum per fund family of 0.16% per year (\$16 per \$10,000 of assets) on the mutual fund holdings of our brokerage account clients. The minimum annual fee is \$250,000 per fund family but may be reduced in certain circumstances. Revenue-sharing payments are in addition to the sales charges, annual distribution and service fees (referred to as "12b-1 fees"), applicable redemption fees and deferred sales charges, and other fees and expenses disclosed in the fund's prospectus fee table. Revenue-sharing payments are generally paid out of the fund's investment adviser, distributor or other fund affiliate's revenues or profits and not from the fund's assets. However, fund affiliate revenues or profits may in part be derived from fees earned for services provided to and paid for by the fund. No portion of these revenue sharing payments is made by means of brokerage commissions generated by the fund.

Set forth below is a listing of the fund families from which we received revenue-sharing payments in 2014. Fund families are listed in descending order based upon the total amount of revenue-sharing payments we recognized from each fund family for 2014. Although we seek to charge all fund families the same revenue sharing fee rate, in aggregate Morgan Stanley receives significantly more revenue sharing from the families with the largest client fund share holdings at our firm. This fact presents a conflict of interest for Morgan Stanley to promote and recommend funds from those fund families rather than funds from families that in aggregate pay us less revenue sharing. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation as a result of these revenue-sharing payments received by Morgan Stanley.

Revenue Sharing Fund Company Name

Franklin Templeton	MFS Investments
Legg Mason*	Pioneer Funds*
American Funds	Hartford Funds**
BlackRock Funds*	Mainstay (NY Life)*
Lord Abbett Funds*	Federated Securities*
Oppenheimer*	Goldman Sachs*
Ivy Funds*	Morgan Stanley Funds*
First Eagle Funds*	Natixis Funds
JP Morgan*	DWS Scudder**
Eaton Vance Group*	Delaware Investments*
PIMCO*	Calamos Funds
Fidelity Advisors*	Principal Funds**
Putnam Funds*	Davis Advisors
Thornburg*	Transamerica IDEX
Alliance Bernstein Funds*	Franklin Templeton Offshore
Nuveen Funds*	John Hancock Funds*
Wells Fargo	Allianz*
Columbia Management*	Gabelli Funds
Prudential Investments*	Dreyfus Premier Funds**
Virtus*	Guggenheim*

Revenue Sharing Fund Company Name (continued)

Henderson Global Investments**	American Century Investments**	Diamond Hill	Ramius	Victory Funds
SunAmerica Funds	Calvert Group	Direxion	RidgeWorth Funds	Fidelity Offshore
Janus Capital Group**	JP Morgan Offshore	Eagle Fund Distributors, Inc.	Salient Partners	Janus Offshore
Guardian Investor Services LLC	Cushing MLP Asset Management L.P.	Equinox	Tortoise	Pictet Funds (Europe) S.A.
MFS Offshore	Investec Offshore	Forward Funds	UBS Global Asset Management	Selector Advisors LTD
Legg Mason Offshore	Highland Capital Management	Frank Russell	Schroder Offshore	BNY Mellon Offshore
Voya Investments**	Van Eck Management	Good Harbor Financial, LLC	Innealta	PIMCO Europe LTD
Neuberger Berman Management Inc.**	Aberdeen Asset Management Inc.	Hatteras Capital Distributors, LLC	Angel Oak	Aquila Group of Funds
Liberty Street	Alpine Funds	Keeley Investment Corp.	Arrow	Ashmore
Cohen & Steers	ALPS	Kinetics Asset Management, Inc.	Astor Asset Management	Lateef Fund
Fred Alger & Company	Altegris Funds	Kopernik	First Trust*	Domini
IVA Funds	American Beacon	Mirae Asset	Hancock Horizon Investments	Snow Capital
BlackRock Offshore	Arbitrage	Munder Funds	Invesco*	
Touchstone Family of Funds**	Brandes**	Nationwide	Pacific Select Distributors, Inc.	
Sentinel Investments	Brookfield	Nomura Asset Management	Polen Offshore	
Pioneer Offshore	Destra	Olstein Financial	Third Avenue Offshore	

*Denotes Global Partner Fund Family

**Denotes Emerging Partner Fund Family

Expense Payments, Data Analytics and Administrative Service Fees

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

Expense Payments and Data Analytic Fees

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

Financial Advisors to attend fund family sponsored events. Expense payments may include meeting or conference facility rental fees and hotel, meal and travel charges.

Certain fund families (referred to as either “Global Partners” or “Emerging Partners”) dedicate significant financial and staffing resources to these efforts and receive supplemental sales data analytics as well as additional opportunities to sponsor firm events and promote their funds to our Financial Advisors and clients. Global Partners commit \$550,000 per year for training and sales meeting expenses, and pay \$200,000 per year for data analytics. Emerging Partners commit \$250,000 per year for training and sales meeting expenses and pay a fee of \$100,000 per year for data analytics. These facts present a conflict of interest for Morgan Stanley and our Financial Advisors to the extent they lead us to focus on funds from those fund families, including our Global and Emerging Partners, that commit significant financial and staffing resources to promotional and educational activities instead of on funds from fund families that do not purchase sales data analytics or do not commit similar resources to these activities. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending funds sponsored by our Global or Emerging Partners or any other fund families that provide significant

sales and training support. Morgan Stanley selects the Global and Emerging Partners fund families based on a number of quantitative and qualitative criteria. Our Global and Emerging Partners are denoted by an asterisk on the above Revenue-Sharing Fund Families list.

Fund family representatives are allowed to occasionally give nominal gifts to Financial Advisors, and to occasionally entertain Financial Advisors (subject to an aggregate entertainment limit of \$1,000 per employee per fund family per year). Morgan Stanley's non-cash compensation policies set conditions for each of these types of payments, and do not permit any gifts or entertainment conditioned on achieving any sales target.

Administrative Service Fees

Morgan Stanley and/or its affiliates receive compensation from funds or their affiliated service providers for providing certain recordkeeping and related services to the funds. These charges typically are based upon the number or aggregate value of client positions and the levels of service provided. We process transactions with certain fund families on an omnibus basis, which means we consolidate our clients' trades into one daily trade with the fund, and therefore maintain all pertinent individual shareholder information for the fund. Trading in this manner requires that we maintain the transaction history necessary to track and process sales charges, annual service fees, and applicable redemption fees and deferred sales charges for each position, as well as other transaction details required for ongoing position maintenance purposes. For these services funds pay, at their election, either up to \$21 per year per position or up to 0.16% per year (\$16 per \$10,000) of fund assets held by our clients in commission-based brokerage accounts. The annual fees for positions held by clients in our fee-based advisory account programs are up to 0.16% (\$16 per \$10,000) of fund assets per year for nonretirement advisory accounts.

As of June 2015, we were trading on an omnibus basis with:

ALPS	American Funds	Avenue Mutual	Calvert Group	Good Harbor	Lord Abnett Funds*
AQR Capital Management, LLC**	Group	Funds	Cambiar Funds**	Financial, LLC	Lord Abnett Offshore
Abbey Capital Limited	Angel Oak Funds	BNY Mellon Offshore Funds	Causeway Funds	Green Owl Funds	Lyrical Asset Management, L.P.
Aberdeen Asset Management Inc.	Aquila Group of Funds	Baird	Clarion	Guardian Investor Services LLC	MFS Investments
Alliance Bernstein*	Arbitrage	Baron Funds	Cohen & Steers	Guggenheim*	MFS Offshore
Alliance Bernstein Offshore	Arden	Biondo	Columbia Management*	HGK Asset Management	Madison Funds
Allianz*	Ariel Funds	BlackRock Funds*	Community Capital Management	Hamlin	Mainstay (NYLife)*
Alpine	Arrow	BlackRock Offshore	Congress Asset Management**	Hancock Horizon Funds	Managers Distributors, Inc.**
Altegris Funds	Artio Global Investors	Brandes**	Cramer Rosenthal	Harbor Funds	Manning & Napier
Amana Saturna	Artisan	Brookfield	Credit Suisse	Harding Loevner Funds	Matthews International Funds
American Beacon	Artisan Distributors LLC	Brown Advisory/Winslow Green	Cullen Funds	Hartford Funds**	Merger
American Century Investments**	Ashmore	Buffalo Funds	DWS Scudder**	Hatteras Capital Distributors, LLC	Metropolitan West Funds
	Aston Funds	Calamos Funds	Davis Advisors	Henderson Global Investments**	Midas
	Astor Asset Management	Calamos International Funds	Delaware Investments*	Hennessy	Mirage
	Ave Maria		Denver Investment Advisors LLC	Highland Capital Management	Morgan Stanley Funds*
			Destra	Horizon Kinetics	Munder Funds
			Diamond Hill	ICON Funds	Nationwide
			Direxion	ING Investments, LLC (Voya)**	Natixis Funds
			Domini	IVA Funds	Neuberger Berman Europe Limited
			DoubleLine Capital LP	Index IQ	Neuberger Berman Management Inc.**
			Dreyfus Premier Funds**	Innealta	Northern Trust Funds
			Driehaus	Invesco*	Nuveen Funds*
			DuPont Capital	Investec Offshore	Nuveen Offshore
			Dunham & Associates	Ivy Funds*	Oak Associates LTD
			Investment Counsel	JP Morgan*	Oakmark
			Eagle Fund Distributors	JP Morgan Offshore	Olstein Financial
			Eaton Vance Group*	James Investment Research, Inc.	Oppenheimer*
			Edgewood Growth Fund	Janus Capital Group**	PIA MBS Bond Fund
			Equinox Fund Management	Jensen	PIMCO*
			Federated Securities*	John Hancock Funds*	PIMCO Europe LTD
			Fidelity Advisors*	KKR Asset Management	Pacific Select Distributors, Inc.
			First American Funds	Keeley Investment Corp.	Palmer Square Capital Management LLC
			First Eagle Funds*	Kinetics Asset Management, Inc.	Paradigm
			First Pacific	Kopernick	Parnassus Funds
			First Trust*	Lateef Fund	Pax World
			Forum Funds	Lazard Funds*	Payden & Rygel
			Forward Funds	Legg Mason*	Pear Tree Funds
			Frank Russell	Legg Mason Offshore	Perimeter
			Franklin Templeton	Leuthold	Permanent Portfolio Funds
			Franklin Templeton Offshore	Liberty Street	Pioneer Funds*
			Fred Alger & Company	LoCorr	Polen
			Gabelli Funds	Loomis Sayles	Principal Funds**
			Glenmeade		
			Goldman Sachs*		

REVENUE SHARING FUND FAMILIES

Principal Global Investors	Salient Partners	Touchstone Family of Funds**
Prospector Partners	Scharf Investments, LLC	Transamerica IDEX
Prudential Investments*	Schroder Funds	Transparent Value
Putnam Funds*	Schroder Offshore	Turner Funds
Putnam Offshore	Sentinel Investments	Tweedy Browne
RBC Funds	Snow Capital	U.S. Global
Ramius	Sound Shore	UBS Global Asset Management
Real Estate Management	Steinberg Asset Management	Van Eck Management
Services Group, LLC	SunAmerica Funds	Vice Fund
Reinhart	T Rowe Price Funds**	Victory
RidgeWorth Funds	TCW Galileo Funds	Virtus*
RiverPark Advisors, LLC	Third Avenue Funds	Virtus Offshore
Roosevelt Investment Group	Third Avenue Offshore	WBI Investments
Royce	Thompson IM Funds	Wallace R. Weitz
SEI Funds	Thornburg*	Wasatch
SSGA	Thornburg Offshore	Wells Fargo
	Tocqueville	William Blair Funds
	Tortoise	Wintergreen

*Denotes Global Partner Fund Family

**Denotes Emerging Partner Fund Family

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

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

accounts, in aggregate, Morgan Stanley receives significantly more administrative service fees from the fund families with the largest client fund share holdings at our firm. This fact presents a conflict of interest for Morgan Stanley to promote and recommend funds from those fund families rather than funds from families that in aggregate pay us less administrative service fees. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation as a result of these administrative service fee payments received by Morgan Stanley.

Money Market and Money Market Sweep Funds

Money market funds are generally subject to the same revenue sharing and administrative service fees outlined above. However, different fees are assessed on money market fund assets that are available as cash management sweep options for Morgan Stanley client accounts. Our affiliate, Morgan Stanley Investment Management ("MSIM"), serves as the investment advisor to the cash management sweep option funds. Morgan Stanley receives compensation from MSIM for providing record keeping and related services of up to \$19.08 per year per fund position held by our brokerage account clients. This fee is not assessed on positions held by clients in our fee-based advisory account programs. We also receive revenue sharing compensation from MSIM based on the amount of money market sweep fund assets held by our clients in brokerage accounts of up to 0.18% per year (\$18 per \$10,000 of assets). This fee is not assessed on positions held by clients in our fee-based advisory account programs.

For More Information

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

Before buying any mutual fund, request a prospectus from your Financial Advisor and read it carefully. The prospectus contains important information on fees, charges and investment objectives which should be considered carefully before investing.

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

Morgan Stanley Smith Barney LLC, its affiliates and its Financial Advisors do not provide tax advice. Clients should speak with their own tax advisors regarding their personal situation.

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