

CLIENT STATEMENT | For the Period March 1-31, 2014

STATEMENT FOR:

MSB FBO CLAUDE SIMON
254 FIFTH AVENUE

Morgan Stanley Smith Barney LLC. Member SIPC.

#BWNJGWM

MSB FBO CLAUDE SIMON
254 FIFTH AVENUE
3RD FLOOR
NEW YORK NY 10001-6406

TOTAL VALUE OF YOUR ACCOUNT (as of 3/31/14)

Includes Accrued Interest

\$6,453,727.94

Your Financial Advisor Team

The Apollo Group
800-495-6844

Your Financial Advisors

Steve Condos

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Kenneth Morris

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Your Branch

1290 AVE OF AMERICAS, 13TH FL
NEW YORK, NY 10104
Telephone: 212-492-6900; Alt. Phone: 800-917-9662; Fax: 212-492-6345

Access Your Account Online: www.morganstanley.com/online

Account Summary

Fiduciary Services Active Assets Account
052-078088-222

MSB FBO CLAUDE SIMON

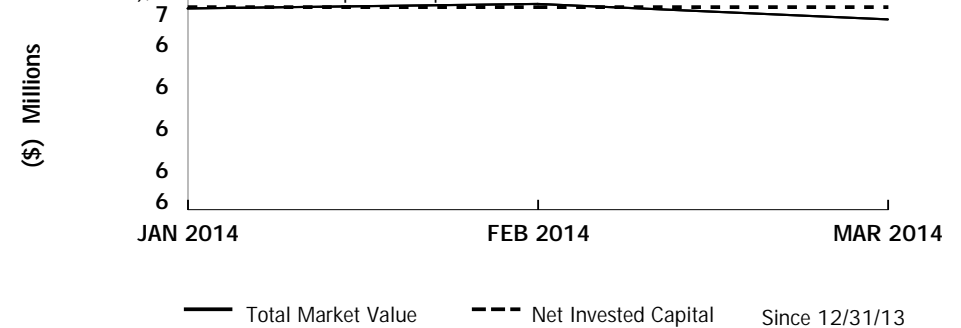
CHANGE IN VALUE OF YOUR ACCOUNTS (includes accrued interest)

	This Period (3/1/14-3/31/14)	This Year (1/1/14-3/31/14)
TOTAL BEGINNING VALUE	\$6,489,998.14	—
Credits	—	8,656,406.28
Debits	—	(2,174,382.33)
Security Transfers	—	—
Net Credits/Debits/Transfers	—	\$6,482,023.95
Change in Value	(36,270.20)	(28,296.01)
TOTAL ENDING VALUE	\$6,453,727.94	\$6,453,727.94

Net Credits / Debits include investment advisory fees as applicable. See Activity section for details.

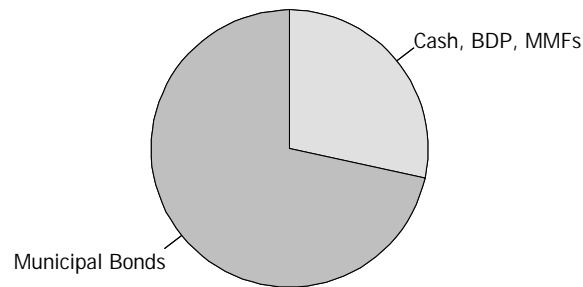
CHANGE IN VALUE OVER TIME

The display of market value (total account value) and net invested capital (total amount invested minus total withdrawn), demonstrates the impact of deposits and withdrawals.



This graph does not reflect corrections to Net Invested Capital or Market Value made subsequent to the dates depicted. It may also exclude transactions in Annuities or where we are not the custodian, which could delay the reporting of Market Value or affect the Net Invested Capital.

ALLOCATION OF HOLDINGS



	Market Value	Percentage %
Cash, BDP, MMFs*	\$1,831,837.79	28.4
Municipal Bonds^	4,621,890.15	71.6
TOTAL VALUE^	\$6,453,727.94	100.0%

This allocation represents holdings on a trade date basis, and projected settled Cash/BDP and MMF balances. These classifications are not intended to serve as a suitability analysis. * FDIC rules apply and Bank Deposits are eligible for FDIC insurance but are not covered by SIPC. Cash and securities (including MMFs) are eligible for SIPC coverage. See Expanded Disclosures. ^ Includes Estimated Accrued Interest

Fiduciary Services Active Assets Account MSB FBO CLAUDE SIMON
052-078088-222

Account Summary

BALANCE SHEET (^ includes accrued interest)

	Last Period (as of 2/28/14)	This Period (as of 3/31/14)
Cash, BDP, MMFs	\$4,112,585.23	\$2,186,539.79
Municipal Bonds ^	3,250,166.60	4,621,890.15
Net Unsettled Purchases/Sales	(872,753.69)	(354,702.00)
Total Assets	\$6,489,998.14	\$6,453,727.94
Total Liabilities (outstanding balance)	—	—
TOTAL VALUE	\$6,489,998.14	\$6,453,727.94
Portfolio Loan Account (754XXXX449)	(7,447,760.53)	(7,447,760.53)
Total Other Liabilities (not included in Total Value)	\$(7,447,760.53)	\$(7,447,760.53)

The Portfolio Loan Account is a securities-based loan that may not be used to purchase, trade or carry marketable securities, or to repay margin debt. The Portfolio Loan Account is offered by Morgan Stanley Bank, N.A., an affiliate of Morgan Stanley Smith Barney LLC.

CASH FLOW

	This Period (3/1/14-3/31/14)	This Year (1/1/14-3/31/14)
OPENING CASH, BDP, MMFs	\$4,112,585.23	—
Purchases	(1,421,489.33)	(4,671,416.96)
Prior Net Unsettled Purch/Sales	(872,753.69)	N/A
Net Unsettled Purch/Sales	354,702.00	354,702.00
Income	13,495.58	21,230.80
Total Investment Related Activity	\$(1,926,045.44)	\$(4,295,484.16)
Electronic Transfers-Credits	—	8,656,406.28
Electronic Transfers-Debits	—	(2,164,101.57)
Other Debits	—	(10,280.76)
Total Cash Related Activity	—	\$6,482,023.95
Debit Card	—	—
ATM/Cash Advances	—	—
Checks Written	—	—
Automated Payments	—	—
Total Card/Check Activity	—	—
CLOSING CASH, BDP, MMFs	\$2,186,539.79	\$2,186,539.79

Fiduciary Services Active Assets Account
052-078088-222

MSB FBO CLAUDE SIMON

Account Summary

INCOME SUMMARY

	This Period (3/1/14-3/31/14)	This Year (1/1/14-3/31/14)
Qualified Dividends	—	—
Other Dividends	—	—
Long Term Capital Gains Distributions	—	—
Interest	120.58	355.80
Other Income	—	—
Total Taxable Income	\$120.58	\$355.80
Dividends	—	—
Interest	13,375.00	20,875.00
Other Income	—	—
Total Tax-Exempt Income	\$13,375.00	\$20,875.00
TOTAL INCOME	\$13,495.58	\$21,230.80

Taxable and tax exempt income classifications are based on the characteristics of the underlying securities and not the taxable status of the account.

ADDITIONAL ACCOUNT INFORMATION

Category	This Period (3/1/14-3/31/14)	This Year (1/1/14-3/31/14)
Municipal Accrued Interest Paid	\$15,833.33	\$46,878.46

GAIN/(LOSS) SUMMARY

	Realized This Period (3/1/14-3/31/14)	Realized This Year (1/1/14-3/31/14)	Unrealized Inception to Date (as of 3/31/14)
Short-Term Gain	—	—	\$146.66
Short-Term (Loss)	—	—	(32,853.97)
Total Short-Term	—	—	\$(32,707.31)

Gain/(Loss) Summary information is provided for informational purposes only and should not be used for tax preparation. This information may change due to basis adjustments. Refer to the Gain/(Loss) Information in the Expanded Disclosures for additional information.

Account Detail

Fiduciary Services Active Assets Account
052-078088-222

MSB FBO CLAUDE SIMON

Investment Objectives†: Capital Appreciation, Income, Aggressive Income, Speculation

Investment Advisory Account

Manager: BLACKROCK INVESTMENT MGMT, LLC

† See the Expanded Disclosures for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.

HOLDINGS

This section reflects positions purchased/sold on a trade date basis, and includes positions purchased and omits positions sold in the current month. "Market Value" and "Unrealized Gain/(Loss)" are representative values as of the last business day of the statement period and may not reflect the value that could be obtained in the market. Fixed Income securities are sorted by maturity or pre-refunding date, and alphabetically within date. Estimated Annual Income (EAI) is calculated on a pre-tax basis and does not include any reduction for applicable non-US withholding taxes, if any. EAI for certain securities may include return of principal or capital gains which could overstate such estimates. For securities that have a defined maturity date within the next 12 months, EAI is reflected only through maturity date. Actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment, and does not reflect changes in its price. Structured products, identified in the Security Description column, appear in various statement product categories. Accrued interest, annual income and yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) are estimates and assume specified accrual conditions are met during the relevant period and payment in full of all contingent interest. For Floating Rate Securities, the accrued interest, annual income and yield are estimates based on the current floating coupon rate and may not reflect historic rates within the accrual period. New Treasury regulations require that we report on Form 1099-B, after the close of the tax year, your adjusted cost basis on the sale of covered securities acquired on or after January 1, 2011, and classify the gain or loss as either long-term or short-term. These regulations also require that we make basis adjustments on covered securities due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. Cost basis is reflected on statements for informational purposes and should not be used in the preparation of your income tax returns. Refer to the Expanded Disclosures for additional information.

CASH, BANK DEPOSIT PROGRAM AND MONEY MARKET FUNDS

Cash, Bank Deposit Program, and Money Market Funds are generally displayed on a settlement date basis. Estimated Annual Income, Accrued Interest, and APY% will only be displayed for fully settled positions.

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
MORGAN STANLEY BANK N.A. #	\$1,941,539.79	\$971.00	—	0.050
MORGAN STANLEY PRIVATE BANK NA #	245,000.00	123.00	—	0.050

	Percentage of Assets %	Market Value	Estimated Annual Income Accrued Interest
CASH, BDP, AND MMFs		\$2,186,539.79	\$1,094.00 \$0.00
NET UNSETTLED PURCHASES/SALES		\$(354,702.00)	
CASH, BDP, AND MMFs (PROJECTED SETTLED BALANCE)	28.4%	\$1,831,837.79	

Bank Deposits are held at either: (1) Morgan Stanley Bank, N.A., and/or Morgan Stanley Private Bank, National Association, affiliates of Morgan Stanley Smith Barney LLC, or (2) Citibank, N.A., each a national bank and FDIC member.

The "Projected Settled Balance" includes accrued interest on deposits and reflects the impact of unsettled purchases/sales.

MSB FBO CLAUDE SIMON

MUNICIPAL BONDS

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
NEW YORK CITY GENL OBLIG SERIES-D CUSIP 64966KDP5	1/27/14	300,000.000	\$111.231 \$110.474	\$333,693.00 \$331,422.84			\$15,000.00 \$2,500.00	4.52
Unit Price: \$110.401; Coupon Rate 5.000%; Matures 08/01/2016; Int. Semi-Annually Feb/Aug 01; Yield to Maturity .510%; Federal Tax Exempt; Moody AA2 S&P AA; Issued 01/03/13								
METROPOLITAN TRANS AUTH N Y DEDICATED TAX FUND REV B-2 CUSIP 59259NN66	2/4/14	250,000.000	112.154 111.479	280,385.00 278,698.34			12,500.00 5,208.33	4.48
Unit Price: \$111.538; Coupon Rate 5.000%; Matures 11/01/2016; Int. Semi-Annually May/Nov 01; Federal Tax Exempt; Moody AA3 S&P AA; Issued 03/28/12								
METRO TRANS AUTH N Y TRANS REV REF SER-C CUSIP 59259YJS9	2/26/14	200,000.000	112.023 111.679	224,046.00 223,357.24			10,000.00 3,777.77	4.48
Unit Price: \$111.572; Coupon Rate 5.000%; Matures 11/15/2016; Int. Semi-Annually May/Nov 15; Yield to Maturity .549%; Federal Tax Exempt; Moody A2 S&P A+; Issued 11/10/11								
NEW YORK ST DORM AUTH ST PERS INCOME TAX REV CUSIP 649902K44	2/10/14	300,000.000	113.424 112.838	340,272.00 338,512.75			15,000.00 666.66	4.45
Unit Price: \$112.345; Coupon Rate 5.000%; Matures 03/15/2017; Int. Semi-Annually Mar/Sep 15; Yield to Maturity .767%; Federal Tax Exempt; Moody AA2 S&P AAA; Issued 10/20/09								
NEW YORK ST DORM AUTH REVS ST UNIV EDK FACS SER A CUSIP 64983RHC4	2/27/14	250,000.000	114.737 114.395	286,842.50 285,987.84			13,750.00 5,194.44	4.82
Unit Price: \$114.072; Coupon Rate 5.500%; Matures 05/15/2017; Int. Semi-Annually May/Nov 15; Yield to Maturity .917%; Federal Tax Exempt; Moody AA3 S&P AA-; Insurer: NATIONAL PUBLIC FINANC; Issued 03/02/05								
BATTERY PK CITY AUTH NY SENIOR REV-A CUSIP 07133AGX4	3/5/14	300,000.000	116.061 115.806	348,183.00 347,417.75			15,000.00 6,583.33	4.37
Unit Price: \$114.403; Coupon Rate 5.000%; Matures 11/01/2017; Int. Semi-Annually May/Nov 01; Yield to Maturity .906%; Callable Extraordinary; First Coupon 05/01/14; Federal Tax Exempt; Moody AAA; Issued 10/23/13								
NEW YORK CITY TRANS FIN AUTH FUTURE TAX SECURE SUB REV-B-1 CUSIP 64971WAP5	1/30/14	300,000.000	115.400 114.757	346,200.00 344,270.75			15,000.00 2,374.99	4.37
Unit Price: \$114.365; Coupon Rate 5.000%; Matures 11/01/2017; Int. Semi-Annually May/Nov 01; Yield to Maturity .916%; First Coupon 05/01/14; Federal Tax Exempt; Moody AA1 S&P AAA; Issued 02/04/14								
TRIBOROUGH BRIDGE & TUNNEL AUTH GENL REV-A CUSIP 89602NV92	1/31/14	300,000.000	115.586 114.963	346,758.00 344,890.46			15,000.00 2,291.66	4.38
Unit Price: \$114.134; Coupon Rate 5.000%; Matures 11/15/2017; Int. Semi-Annually May/Nov 15; Yield to Maturity 1.016%; First Coupon 05/15/14; Federal Tax Exempt; Moody AA3 S&P AA-; Issued 02/06/14								

Fiduciary Services Active Assets Account
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MSB FBO CLAUDE SIMON

Account Detail

MUNICIPAL BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
TOBACCO SETTLEMENT FING CORP N Y ASSET-BACKED REV SER-A CUSIP 88880TMM5	3/13/14	300,000.000	116.196 116.060	348,588.00 348,178.61	345,471.00	(2,707.61) ST	15,000.00 4,999.99	4.34
Unit Price: \$115.157; Coupon Rate 5.000%; Matures 06/01/2018; Int. Semi-Annually Jun/Dec 01; Yield to Maturity 1.255%; Callable Extraordinary; Federal Tax Exempt; S&P AA-; Issued 07/07/11								
NEW YORK ST ENV FACS CORP CLN WTR & DRNKG WTR REV FDS REV-A CUSIP 64986A3R0	3/19/14	300,000.000	117.106 117.062	351,318.00 351,184.93	348,156.00	(3,028.93) ST	15,000.00 166.66	4.30
Unit Price: \$116.052; Coupon Rate 5.000%; Matures 06/15/2018; Int. Semi-Annually Jun/Dec 15; Yield to Maturity 1.085%; First Coupon 06/15/14; Federal Tax Exempt; Moody AAA S&P AAA; Issued 03/27/14								
NEW YORK ST DORMITORY AUTH SALES TAX REV-A CUSIP 64990AAY1	3/5/14	300,000.000	119.189 118.971	357,567.00 356,913.06	351,159.00	(5,754.06) ST	15,000.00 666.66	4.27
Unit Price: \$117.053; Coupon Rate 5.000%; Matures 03/15/2019; Int. Semi-Annually Mar/Sep 15; Yield to Maturity 1.424%; Federal Tax Exempt; Moody AA2 S&P AAA; Issued 10/24/13								
NEW YORK ST LOC GOVT ASSISTANCE CORP CUSIP 649876V89	1/30/14	300,000.000	118.950 118.384	356,850.00 355,153.38	351,291.00	(3,862.38) ST	15,000.00 7,500.00	4.26
Unit Price: \$117.097; Coupon Rate 5.000%; Matures 04/01/2019; Int. Semi-Annually Apr/Oct 01; Yield to Maturity 1.443%; Federal Tax Exempt; S&P AAA; Issued 12/01/10								
NEW YORK ST THRUWAY AUTH GEN REV JR INDEBTNESS OBLIG REV-A CUSIP 650010AD3	1/29/14	300,000.000	116.378 115.895	349,134.00 347,685.36	346,539.00	(1,146.36) ST	15,000.00 4,291.66	4.32
Unit Price: \$115.513; Coupon Rate 5.000%; Matures 05/01/2019; Int. Semi-Annually Jan/Jul 01; Yield to Maturity 1.793%; First Coupon 07/01/14; Federal Tax Exempt; Moody A3 S&P A-; Issued 12/18/13								
NEW YORK ST DORM AUTH REVS NON ST SUPPORTED REV CUSIP 649907YH9	2/28/14	300,000.000	118.234 118.234	354,702.00 354,702.00	348,939.00	(5,763.00) ST	15,000.00 —	4.29
Unit Price: \$116.313; Coupon Rate 5.000%; Matures 07/01/2020; Int. Semi-Annually Jan/Jul 01; Yield to Maturity 2.192%; Callable Extraordinary; First Coupon 07/01/14; Federal Tax Exempt; Moody A2 S&P A; Issued 04/03/14								
		Face Value Percentage of Assets %		Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
MUNICIPAL BONDS		4,000,000.000		\$4,624,538.50 \$4,608,375.31	\$4,575,668.00	\$(32,707.31) ST	\$201,250.00 \$46,222.15	4.40%
TOTAL MUNICIPAL BONDS (incl.accr.int.)		71.6%			\$4,621,890.15			

Fiduciary Services Active Assets Account
052-078088-222

MSB FBO CLAUDE SIMON

Account Detail

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
TOTAL MARKET VALUE	100.0%	\$4,608,375.31	\$6,407,505.79	\$(32,707.31) ST	\$202,344.00 \$46,222.15	3.13%

TOTAL VALUE (includes accrued interest)

\$6,453,727.94

Unrealized Gain/(Loss) totals only reflect positions that have cost basis and/or market value information available. Cash, MMF, Deposits and positions stating 'Please Provide' are not included.

ACTIVITY

INVESTMENT RELATED ACTIVITY

PURCHASES, DIVIDEND REINVESTMENTS, SALES AND REDEMPTIONS

Trade Date	Settlement Date	Activity Type	Description	Comments	Quantity	Price	Credits/(Debits)
2/28	4/3	Cancel Buy	NEW YORK ST DO BE 5000 20JL01	ACTED AS AGENT	300,000.000	\$118.2340	\$354,702.00
2/28	4/3	Bought	NEW YORK ST DO BE 5000 20JL01	ACTED AS AGENT	300,000.000	118.2340	(354,702.00)
3/5	3/10	Bought	DORMITORY AUTH BE 5000 19MH15	ACCRUED INTEREST ACTED AS AGENT	300,000.000	119.1890	(363,233.67)
3/5	3/10	Bought	BATTERY PK CIT BE 5000 17NV01	ACCRUED INTEREST ACTED AS AGENT	300,000.000	116.0610	(353,891.33)
3/13	3/18	Bought	TOBACCO SETTLE BE 5000 18JN01	ACCRUED INTEREST ACTED AS AGENT	300,000.000	116.1960	(353,046.33)
3/19	3/27	Bought	NEW YORK STATE BE 5000 18JN15	ACTED AS AGENT	300,000.000	117.1060	(351,318.00)
TOTAL PURCHASES, DIVIDEND REINVESTMENTS, SALES AND REDEMPTIONS							\$(1,421,489.33)
TOTAL PURCHASES							\$(1,421,489.33)

Purchase and Sale transactions above may have received an average price execution. Details regarding the actual prices are available upon request.

UNSETTLED PURCHASES/SALES ACTIVITY

Transaction Date	Settlement Date	Activity Type	Description	Comments	Quantity	Price	Pending Credits/(Debits)
2/28	4/3	Bought	NEW YORK ST DO BE 5000 20JL01	UNSETTLED PURCHASE	300,000.000	\$118.2340	\$(354,702.00)
NET UNSETTLED PURCHASES/SALES							\$(354,702.00)

This section displays transactions that have not settled during this statement period. The Holdings section includes any positions purchased and omits any positions sold or sold short as of the trade-date. The unit/share price for unsettled fixed income new issues in the Holdings section may be approximate, in advance of active market pricing or pricing from third party pricing services.

Fiduciary Services Active Assets Account
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MSB FBO CLAUDE SIMON

Account Detail

INVESTMENT RELATED ACTIVITY

TAXABLE INCOME

Date	Activity Type	Description	Comments	Credits/(Debits)
3/28	Interest Income	MORGAN STANLEY BANK N.A. (Period 02/28-03/28)		\$110.85
3/28	Interest Income	MORGAN STANLEY PRIVATE BANK NA (Period 02/28-03/28)		9.73

TOTAL TAXABLE INCOME	\$120.58
TOTAL INTEREST	\$120.58

TAX EXEMPT INCOME

Date	Activity Type	Description	Comments	Credits/(Debits)
3/15	Tax Exempt Interest Income	NYS DORM AUTH BE 5000 17MH15	CUSIP: 649902K44	\$7,500.00
3/15	Tax Exempt Interest Income	DORMITORY AUTH BE 5000 19MH15	CUSIP: 64990AAY1	5,875.00

TOTAL TAX EXEMPT INCOME	\$13,375.00
TOTAL INTEREST	\$13,375.00

MONEY MARKET FUND (MMF) AND BANK DEPOSIT PROGRAM ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
3/3	Automatic Redemption	BANK DEPOSIT PROGRAM	\$(227,046.00)
3/4	Automatic Redemption	BANK DEPOSIT PROGRAM	(291,005.69)
3/10	Automatic Redemption	BANK DEPOSIT PROGRAM	(717,125.00)
3/18	Automatic Redemption	BANK DEPOSIT PROGRAM	(339,671.33)
3/27	Automatic Redemption	BANK DEPOSIT PROGRAM	(351,318.00)
3/28	Automatic Investment	BANK DEPOSIT PROGRAM	110.85
3/28	Automatic Investment	BANK DEPOSIT PROGRAM	9.73

NET ACTIVITY FOR PERIOD	\$(1,926,045.44)
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MESSAGES

Consolidated Statement of Financial Condition (In Millions of Dollars)

At December 31, 2013 Morgan Stanley Smith Barney LLC had net capital of \$3,483 which exceeded the Securities and Exchange Commission's minimum requirement by \$3,302. A copy of the Morgan Stanley Smith Barney LLC Consolidated Statement of Financial Condition at December 31, 2013 can be viewed online at:

http://www.morganstanley.com/about/ir/shareholder/morganstanley_smithbarney_llc.pdf or may be mailed to you at no cost by calling 1 (866) 825-1675, after March 15, 2014.

Make Your Annual IRA Contribution

The deadline to make your 2013 IRA contribution is April 15, 2014, so there is still time to contribute to a Traditional or Roth IRA, if eligible. The maximum contribution is \$5,500 for 2013, or \$6,500 if you are age 50 or older. Your Financial Advisor can help you open a new IRA or fund an existing one. You can even move funds from an existing Morgan Stanley non-retirement account if you have one. Speak with your Financial Advisor or Private Wealth Advisor about making an IRA contribution for 2014 at the same time and take advantage of a year of additional potential growth.

Account Detail

Fiduciary Services Active Assets Account
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MSB FBO CLAUDE SIMON

Important Information About Advisory Accounts

Please notify your Financial Advisor if there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions on the management of your Investment Advisory accounts, or to reasonably modify existing restrictions.

For a copy of the applicable ADV Brochure for Morgan Stanley Smith Barney LLC, or for any Investment Adviser with whom we contract to manage your investment advisory account, please contact your Financial Advisor. These ADV Brochures contain important information about advisory programs.

Standard Disclosures

The following Disclosures are applicable to the enclosed statement(s). Expanded Disclosures are attached to your most recent June and December statement (or your first Statement if you have not received a statement for those months). The Expanded Disclosures are also available by selecting Account Documents when you log on to www.morganstanley.com/online or, call 800-869-3326.

Questions?

Questions regarding your account may be directed to your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, call Client Service at (800) 869-3326 or for account-related concerns call our Client Advocate at (866) 227-2256.

Errors and Inquiries

It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand or believe were made in error by contacting the Branch Manager of the office where you maintain your account. Oral communications regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). Except as provided in your account documentation, your statement will be deemed correct unless we receive your written inquiry of a suspected error within 10 calendar days from the day you received your statement. See your account documentation for special rules regarding your rights and responsibilities with respect to erroneous electronic fund transfers, including a description of the transfers covered.

Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC [17 CFR §240.15c3-2 & -3], we may use funds comprising free credit balances carried for customer accounts here, provided that these funds are payable to customers on demand (i.e., are free of a lien or right of set-off in our favor or on behalf of some third party to whom you have given control). A financial statement of this organization is available for your personal inspection at its offices, or a copy will be mailed to you upon your written request.

Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request. Promptly advise us of any material change in your investment objectives or financial situation.

Margin Privileges (not available for certain accounts such as IRAs or retirement accounts)

If you have margin privileges, you may borrow money from us in

exchange for pledging assets in your accounts as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin accounts. If a security has eligible shares, the number of shares pledged as collateral will be indicated below the position.

Margin Interest Charges

We calculate interest charges on margin loans as follows: (1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance, and (2) Divide by 360 (days). Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. We add the accrued interest to your debit balance and start a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, go to www.morganstanley.com/online/MIRates

Information regarding Special Memorandum Account

If you have a Margin Account, this is a combined statement of your Margin Account and Special Memorandum Account maintained for you under Section 220.6 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the Special Memorandum Account as required by Regulation T is available for your inspection at your request.

Structured Products

Structured Products are complex products and may be subject to special risks. Investors should consider the concentration risk of owning the related security and their total exposure to any underlying asset. Structured Products may not perform in a manner consistent with the statement product category where they appear and therefore may not satisfy portfolio asset allocation needs for that category.

Important Information About Auction Rate Securities

Due to market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction, and are not an indication of any offer to purchase at such price.

Security Measures

This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark--a blue rectangle printed in heat-sensitive ink on the back side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

SIPC Protection

Morgan Stanley Smith Barney LLC is a member of SIPC, which protects

securities of its customers up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available upon request or at www.sipc.org. Losses due to market fluctuation are not protected by SIPC and assets not held at Morgan Stanley Smith Barney LLC may not be covered by SIPC protection. To obtain information about SIPC, including the SIPC Brochure, contact SIPC at 1-202-371-8300 or visit www.sipc.org.

Transaction Dates and Transaction Conditions

Upon written request, we will furnish the date and time of a transaction and the name of the other party to a transaction. We and/or our affiliates may accept benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.

Equity Research Ratings Definitions and Consulting Group Investment Advisory Statuses

Some equity securities may have research ratings from Morgan Stanley & Co. LLC or Standard & Poor's. Research ratings are the research providers' opinions and not representations or guarantees of performance. For more information about each research providers' rating systems, see the expanded disclosures on your quarter-end statement, go to www.morganstanley.com/online or refer to the research provider's research report. Research reports contain more complete information concerning the analyst's views and you should read the entire research report and not infer its contents from the rating alone. If your account contains an advisory component or is an advisory account, CG IAR statuses apply.

Credit Ratings from Moody's Investors Service and Standard & Poor's

The credit rating from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the opinions of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

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