Morgan Stanley

#BWNJGWM
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(ECL)-MSSB FBO MR JOHN M SIMON AND
MRS VICKI C SIMON JT TEN
254 FIFTH AVENUE
3RD FLOOR
NEW YORK NY 10001-6406

Morgan Stanley

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Morgan Stanley

CLIENT STATEMENT | For the Period June 1-30, 2013

#BWNJGWM

(ECL)-MSSB FBO MR JOHN M SIMON AND
MRS VICKI C SIMON JT TEN
254 FIFTH AVENUE
3RD FLOOR
NEW YORK NY 10001-6406

TOTAL VALUE LAST PERIOD (as of 5/31/13)	$570,476.86
NET CREDITS/DEBITS/TRANSFERS	—
CHANGE IN VALUE	(13,621.91)
TOTAL VALUE OF YOUR ACCOUNTS (as of 6/30/13) (Total Values include accrued interest)	**$556,854.95**

Your Branch

787 7TH AVENUE 36TH FLOOR
NEW YORK, NY 10019
Telephone: 212-492-6900
Alt. Phone: 800-917-9662
Fax: 212-492-6345

Client Service Center

800-869-3326
24 Hours a Day, 7 Days a Week

Access your accounts online

www.morganstanley.com/online

Your Financial Advisor Team
The Apollo Group
800-495-6844

Your Financial Advisors

Steve Condos
Managing Director, Wealth Mgmt
Steve.Condos@morganstanleypwm.com
212 492-6335

Kenneth Morris
Senior Vice President
Kenneth.Morris@morganstanleypwm.com
212 492-6337

Jared Katzman
Jared.Katzman@morganstanleypwm.com

Morgan Stanley Smith Barney LLC. Member SIPC.

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Consolidated Summary

OVERVIEW OF YOUR ACCOUNTS (includes accrued interest)

Although only whole dollar amounts are displayed below, both dollars and cents are used to calculate all totals. Manually summing the individual line items may not equal the actual total displayed. Refer to Account Statements for details.

	Account Number	Beginning Value (6/1/13)	Funds Credited/(Debited)	Security Transfers Rcvd/(Dlvd)	Change in Value	Ending Value (6/30/13)	Income/ This Period/YTD	YTD Realized Gain/(Loss) (Total ST/LT)	Unrealized Gain/(Loss) (Total ST/LT)	Page
TOTAL ACCOUNTS		**$570,476**	—	—	**$(13,621)**	**$556,854**	**$1,741** **$9,180**	**$4** **$52,139**	**$(22,964)** —	
Personal Accounts										
(ECL)-MSSB FBO MR JOHN M SIMON AND MRS VICKI C SIMON JT TEN	052-132387-222	—	—	—	—	—	— 992	4 52,139	— —	*
(ECL)-MSSB FBO JOHN M SIMON & VICKI C SIMON JT TEN	052-062430-222 *Invest Advisory*	570,476	—	—	(13,621)	556,854	1,741 8,188	— —	(22,964) —	5
JOHN M SIMON & VICKI C SIMON JT TEN(ECL)	052-062825-222	—	—	—	—	—	— —	— —	— —	*
(ECL)-MSSB FBO MR JOHN M SIMON AND MRS VICKI C SIMON JT TEN	052-145189-222	—	—	—	—	—	— —	— —	— —	*
Total Personal Accounts		**$570,476**	—	—	**$(13,621)**	**$556,854**	**$1,741** **$9,180**	**$4** **$52,139**	**$(22,964)** —	

*This summary may include assets held in brokerage and/or advisory accounts, and may include assets not held here. Visit http://www.morganstanley.com/ourcommitment to understand the differences between brokerage and advisory accounts. Refer to individual Account Gain/(Loss) Summary and expanded Disclosures for additional information. *This account had no activity and held no assets this period, so a statement has not been included.*

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Consolidated Summary

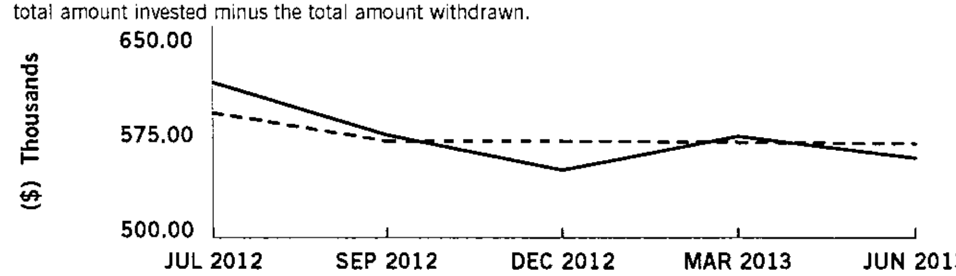
CHANGE IN VALUE OF YOUR ACCOUNTS (includes accrued interest)

	This Period (6/1/13-6/30/13)	This Year (1/1/13-6/30/13)
TOTAL BEGINNING VALUE	**$570,476.86**	**$548,171.28**
Credits	—	573,510.94
Debits	—	(575,391.09)
Security Transfers	—	—
Net Credits/Debits/Transfers	—	**$(1,880.15)**
Change in Value	**(13,621.91)**	**10,563.82**
TOTAL ENDING VALUE	**$556,854.95**	**$556,854.95**

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

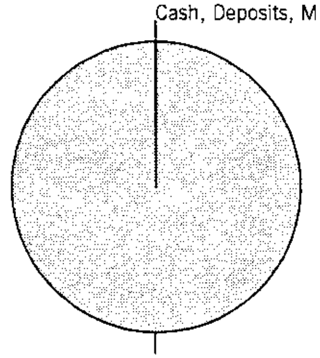
CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



This exhibit may not include transactions for investments in Annuities or where Morgan Stanley Smith Barney LLC is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value.

ALLOCATION OF HOLDINGS



	Market Value	Percentage %
Cash, Deposits, MMFs*	$932.66	0.2
Mutual Funds	555,922.29	99.8
TOTAL VALUE	**$556,854.95**	**100.0%**

*This allocation represents holdings on a trade date basis and the projected settled balances for Cash/Deposits/MMF. These classifications are not for suitability purposes and may differ from Asset Allocation reports you may receive. * 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.*

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Consolidated Summary

BALANCE SHEET (^ includes accrued interest)

	Last Period (as of 5/31/13)	This Period (as of 6/30/13)
Cash, Deposits, Money Market Funds	$932.62	$932.66
Mutual Funds	569,544.24	555,922.29
Total Assets	**$570,476.86**	**$556,854.95**
There are no liabilities for these accounts.		
Total Liabilities (outstanding balance)		
TOTAL VALUE	**$570,476.86**	**$556,854.95**

CASH FLOW

	This Period (6/1/13-6/30/13)	This Year (1/1/13-6/30/13)
OPENING CASH, DEPOSITS, MMFs	**$932.62**	**$40,780.47**
Purchases	—	(570,700.08)
Dividend Reinvestments	(1,741.41)	(8,186.23)
Sales and Redemptions	—	531,737.95
Income	1,741.45	9,180.70
Total Investment Related Activity	**$0.04**	**$(37,967.66)**
Electronic Transfers-Credits	—	573,510.94
Electronic Transfers-Debits	—	(573,510.94)
Other Debits	—	(1,880.15)
Total Cash Related Activity	—	**$(1,880.15)**
Debit Card	—	—
ATM/Cash Advances	—	—
Checks Written	—	—
Automated Payments	—	—
Total Card/Check Activity	—	—
CLOSING CASH, DEPOSITS, MMFs	**$932.66**	**$932.66**

Account Summary

Portfolio Management Active Assets Account
052-062430-222

(ECL)-MSSB FBO JOHN M SIMON &
VICKI C SIMON JT TEN

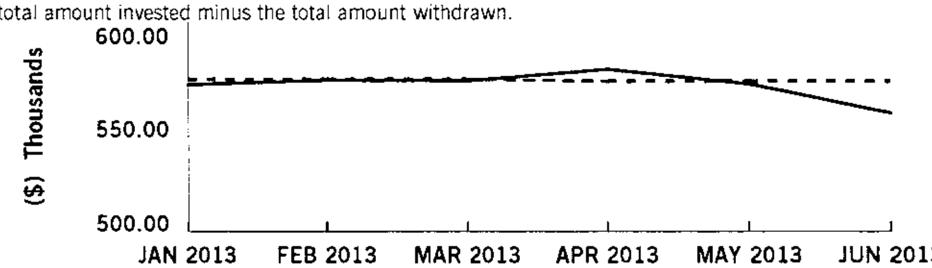
CHANGE IN VALUE OF YOUR ACCOUNTS (includes accrued interest)

	This Period (6/1/13-6/30/13)	This Year (1/1/13-6/30/13)
TOTAL BEGINNING VALUE	**$570,476.86**	—
Credits	—	573,510.94
Debits	—	(1,880.15)
Security Transfers	—	—
Net Credits/Debits/Transfers	**—**	**$571,630.79**
Change in Value	**(13,621.91)**	**(14,775.84)**
TOTAL ENDING VALUE	**$556,854.95**	**$556,854.95**

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

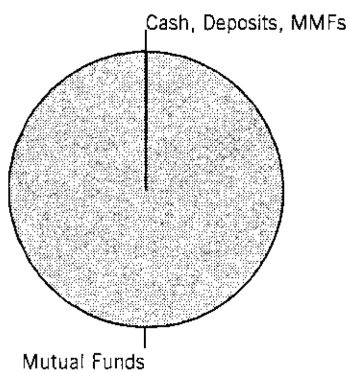
CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



This exhibit may not include transactions for investments in Annuities or where Morgan Stanley Smith Barney LLC is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value.

ALLOCATION OF HOLDINGS



	Market Value	Percentage %
Cash, Deposits, MMFs*	$932.66	0.2
Mutual Funds	555,922.29	99.8
TOTAL VALUE	**$556,854.95**	**100.0%**

This allocation represents holdings on a trade date basis and the projected settled balances for Cash/Deposits/MMF. These classifications are not for suitability purposes and may differ from Asset Allocation reports you may receive. ** 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.*

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Account Summary

Portfolio Management Active Assets Account
052-062430-222

(ECL)-MSSB FBO JOHN M SIMON &
VICKI C SIMON JT TEN

BALANCE SHEET **(^ includes accrued interest)**

	Last Period (as of 5/31/13)	This Period (as of 6/30/13)
Cash, Deposits, Money Market Funds	$932.62	$932.66
Mutual Funds	569,544.24	555,922.29
Total Assets	**$570,476.86**	**$556,854.95**
There are no liabilities for this account.		
Total Liabilities (outstanding balance)		
TOTAL VALUE	**$570,476.86**	**$556,854.95**

CASH FLOW

	This Period (6/1/13-6/30/13)	This Year (1/1/13-6/30/13)
OPENING CASH, DEPOSITS, MMFs	**$932.62**	—
Purchases	—	(570,700.08)
Dividend Reinvestments	(1,741.41)	(8,186.23)
Income	1,741.45	8,188.18
Total Investment Related Activity	**$0.04**	**$(570,698.13)**
Electronic Transfers-Credits	—	573,510.94
Other Debits	—	(1,880.15)
Total Cash Related Activity	—	**$571,630.79**
Debit Card	—	—
ATM/Cash Advances	—	—
Checks Written	—	—
Automated Payments	—	—
Total Card/Check Activity	—	—
CLOSING CASH, DEPOSITS, MMFs	**$932.66**	**$932.66**

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Account Summary

Portfolio Management Active Assets Account
052-062430-222

(ECL)-MSSB FBO JOHN M SIMON &
VICKI C SIMON JT TEN

INCOME SUMMARY

	This Period (6/1/13-6/30/13)	This Year (1/1/13-6/30/13)
Qualified Dividends	—	—
Other Dividends	952.96	4,714.27
Long Term Capital Gains Distributions	—	—
Interest	0.04	1.95
Other Income	—	—
Total Taxable Income	**$953.00**	**$4,716.22**
Dividends	788.45	3,471.96
Interest	—	—
Other Income	—	—
Total Tax-Exempt Income	**$788.45**	**$3,471.96**
TOTAL INCOME	**$1,741.45**	**$8,188.18**

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

GAIN/(LOSS) SUMMARY

	Realized This Period (6/1/13-6/30/13)	Realized This Year (1/1/13-6/30/13)	Unrealized Inception to Date (as of 6/30/13)
Short-Term (Loss)	—	—	$(22,964.04)

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

Portfolio Management Active Assets Account
052-062430-222

(ECL)-MSSB FBO JOHN M SIMON &
VICKI C SIMON JT TEN

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

Investment Advisory Account

Pledged to: Express CreditLine

† 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 the impact of positions purchased/sold on a trade date basis, and will include positions purchased and omit positions sold in the current month. Please see the "Unsettled Purchases/Sales Activity" section for more information.
The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the statement period indicated, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Expanded Disclosures. Fixed Income securities are sorted by maturity or pre-refunding date, and alphabetically within date.
Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.
Structured products appear in various statement product categories and are identified as "Structured Products" in the Security Description column. Estimated accrued interest, estimated annual income and estimated yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) assume specified accrual conditions are met during the relevant observation period and payment in full of all contingent interest. If you hold structured products, please see "Special Considerations Regarding Structured Products" in the Disclosures.
New Treasury regulations require that we report on Form 1099-B after the close of the tax year your adjusted cost basis and classify the gain or loss as either long-term or short-term on the sale of covered securities acquired on or after January 1, 2011. These regulations also require that we make basis adjustments 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 monthly statements for informational purposes only and should not be used in the preparation of your income tax returns. Please refer to the Expanded Disclosures for additional information.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Cash, Deposits and Money Market Funds are generally displayed on a settlement date basis. However, Global Currency Deposits may include both settled and unsettled positions. Estimated Annual Income, Accrued Interest and APY% will only be displayed for fully settled positions. In the event, all or a portion of a Global Currency Deposit position is unsettled as of month end, this data will not be available.

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
MORGAN STANLEY BANK N.A. #	$932.66	—	—	0.050

	Percentage of Assets %	Market Value	Estimated Annual Income / Accrued Interest
CASH, DEPOSITS AND MONEY MARKET FUNDS	0.2%	$932.66	$0.00 $0.00

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

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Account Detail

Portfolio Management Active Assets Account 052-062430-222

(ECL)-MSSB FBO JOHN M SIMON & VICKI C SIMON JT TEN

MUTUAL FUNDS

OTHER MUTUAL FUNDS

"Total Purchases vs Market Value" is provided to assist you in comparing your "Total Purchases," excluding reinvested distributions, with the current value of the mutual fund positions in your account.

"Cumulative Cash Distributions" when shown, may reflect distributions on shares no longer held in the account. It may not reflect all distributions received in cash; due to but not limited to the following: investments made prior to addition of this information on statements, securities transfers, timing of recent distributions, and certain adjustments made in your account.

"Net Value Increase/ (Decrease)" reflects the difference between your total purchases, plus the cash distributions shown, and the current value of the fund's shares. This calculation is for informational purposes only and does not reflect your total unrealized gain or loss nor should it be used for tax purposes.

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
DOUBLELINE TOTAL RETURN I (DBLTX)	1/22/13	15,039.746	$11.400	$171,453.10	$165,888.40	$(5,564.70) ST		
	Purchases	15,039.746		171,453.10	**165,888.40**	(5,564.70) ST		
Short Term Reinvestments		294.156		3,336.10	3,244.54	(91.56) ST		
	Total	15,333.902		174,789.20	**169,132.94**	(5,656.26) ST	9,277.00	5.48
Total Purchases vs Market Value				171,453.10	169,132.94			
Net Value Increase/(Decrease)					(2,320.16)			
Share Price: $11.030; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest								
INVESCO INTERM TERM MUNI Y (VKLIX)	1/22/13	10,079.548	11.340	114,302.07	109,060.71	(5,241.36) ST		
	Purchases	10,079.548		114,302.07	**109,060.71**	(5,241.36) ST		
Short Term Reinvestments		122.356		1,377.50	1,323.89	(53.61) ST		
	Total	10,201.904		115,679.57	**110,384.60**	(5,294.97) ST	4,336.00	3.92
Total Purchases vs Market Value				114,302.07	110,384.60			
Net Value Increase/(Decrease)					(3,917.47)			
Share Price: $10.820; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest								
LORD ABBETT INTERM TX FR F (LISFX)	1/22/13	7,737.053	11.080	85,726.55	81,858.02	(3,868.53) ST		
	Purchases	7,737.053		85,726.55	**81,858.02**	(3,868.53) ST		
Short Term Reinvestments		72.083		794.42	762.64	(31.78) ST		
	Total	7,809.136		86,520.97	**82,620.66**	(3,900.31) ST	2,374.00	2.87
Total Purchases vs Market Value				85,726.55	82,620.66			
Net Value Increase/(Decrease)					(3,105.89)			
Share Price: $10.580; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest								
NUVEEN INT DUR MUNI BOND I (NUVBX)	1/22/13	12,047.962	9.420	113,491.80	108,552.13	(4,939.67) ST		
	Purchases	12,047.962		113,491.80	**108,552.13**	(4,939.67) ST		
Short Term Reinvestments		138.974		1,300.04	1,252.15	(47.89) ST		
	Total	12,186.936		114,791.84	**109,804.29**	(4,987.56) ST	3,900.00	3.55

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Account Detail

Portfolio Management Active Assets Account
052-062430-222

(ECL)-MSSB FBO JOHN M SIMON &
VICKI C SIMON JT TEN

MUTUAL FUNDS

OTHER MUTUAL FUNDS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Total Purchases vs Market Value				113,491.80	109,804.29			
Net Value Increase/(Decrease)					(3,687.51)			
Share Price: $9.010; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest								
TEMPLETON GLOBAL BD FD ADV (TGBAX)	1/22/13	6,402.282	13.390	85,726.56	82,653.46	(3,073.10) ST		
	Purchases	6,402.282		85,726.56	**82,653.46**	(3,073.10) ST		
Short Term Reinvestments		102.737		1,378.17	1,326.33	(51.84) ST		
	Total	6,505.019		87,104.73	**83,979.80**	(3,124.94) ST	4,866.00	5.79
Total Purchases vs Market Value				85,726.56	83,979.80			
Net Value Increase/(Decrease)					(1,746.76)			
Share Price: $12.910; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest								

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / *Accrued Interest*	Yield %
MUTUAL FUNDS	99.8%	$578,886.31	$555,922.29	$(22,964.04) ST	$24,753.00 $0.00	4.45%

Transactions in mutual fund positions held directly at the Fund Company are not included in the total above and are not reflected on the Summary Page.
For more information about the pricing of Money Market Funds, please see the Expanded Disclosures.

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / *Accrued Interest*	Yield %
TOTAL MARKET VALUE	100.0%	$578,886.31	$556,854.95	$(22,964.04) ST	$24,753.00 $0.00	4.44%

TOTAL VALUE (includes accrued interest) **$556,854.95**

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)
5/31	5/31	Dividend Reinvestment	DOUBLELINE TOTAL RETURN I	REINVESTMENT	59.991	$11.2700	$(676.10)
5/31	5/31	Dividend Reinvestment	INVESCO INTERM TERM MUNI Y	REINVESTMENT	27.386	11.1500	(305.35)
5/31	5/31	Dividend Reinvestment	NUVEEN INT DUR MUNI BOND I	REINVESTMENT	32.132	9.2700	(297.86)

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Account Detail

Portfolio Management Active Assets Account
052-062430-222

(ECL)-MSSB FBO JOHN M SIMON &
VICKI C SIMON JT TEN

INVESTMENT RELATED ACTIVITY

PURCHASES, DIVIDEND REINVESTMENTS, SALES AND REDEMPTIONS (CONTINUED)

Trade Date	Settlement Date	Activity Type	Description	Comments	Quantity	Price	Credits/(Debits)
5/31	5/31	Dividend Reinvestment	LORD ABBETT INTERM TX FR F	REINVESTMENT	16.932	10.9400	(185.24)
6/17	6/17	Dividend Reinvestment	TEMPLETON GLOBAL BD FD ADV	REINVESTMENT	21.248	13.0300	(276.86)
TOTAL PURCHASES, DIVIDEND REINVESTMENTS, SALES AND REDEMPTIONS							**$(1,741.41)**
TOTAL DIVIDEND REINVESTMENTS							$(1,741.41)

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

TAXABLE INCOME

Date	Activity Type	Description	Comments	Credits/(Debits)
5/31	Dividend	DOUBLELINE TOTAL RETURN I DIV PAYMENT		$676.10
6/17	Dividend	TEMPLETON GLOBAL BD FD ADV DIV PAYMENT		276.86
6/27	Interest Income	MORGAN STANLEY BANK N.A. (Period 05/31-06/27)		0.04
TOTAL TAXABLE INCOME				**$953.00**
TOTAL OTHER DIVIDENDS				$952.96
TOTAL INTEREST				$0.04

TAX EXEMPT INCOME

Date	Activity Type	Description	Comments	Credits/(Debits)
5/31	Tax Exempt Dividend	INVESCO INTERM TERM MUNI Y DIV PAYMENT		$305.35
5/31	Tax Exempt Dividend	NUVEEN INT DUR MUNI BOND I DIV PAYMENT		297.86
5/31	Tax Exempt Dividend	LORD ABBETT INTERM TX FR F DIV PAYMENT		185.24
TOTAL TAX EXEMPT INCOME				**$788.45**
TOTAL DIVIDENDS				$788.45

MONEY MARKET FUND (MMF) AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
6/27	Automatic Investment	BANK DEPOSIT PROGRAM	$0.04

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Account Detail

Portfolio Management Active Assets Account
052-062430-222

(ECL)-MSSB FBO JOHN M SIMON &
VICKI C SIMON JT TEN

MESSAGES

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.

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Expanded Disclosures

These expanded Disclosures, which are applicable to the enclosed Statement(s), are provided with your first statement and thereafter on quarter-end months. On non-quarter end months, you will receive the standard Disclosures and can view the expanded Disclosures 1) on your prior quarter-end (or first) statement, 2) by logging in to our site at www.morganstanley.com/online and selecting Account Documents or, 3) by calling 800-869-3326.

Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, call the Client Service Center at (800) 869-3326 or for account-related concerns contact our Client Advocate via telephone at (866) 227-2256 or via U.S. mail at P.O. Box 95002, South Jordan, Utah 84095.

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.

Account Valuation

Account values are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and/or outside custodians, as applicable for other positions, and by adding any credit or subtracting any debit to your closing cash, money market funds and/or deposit balance. Cash, Deposits and Money Market Funds are displayed on a settlement date basis, and other positions are displayed in your account on a trade date basis. The value of fixed income positions in summary displays include accrued interest in the totals. In the "Holdings" section, fixed income market value and accrued interest are also displayed in separate columns. Accrued interest is the interest earned but not yet paid on the bond since its last interest payment. In most cases, it is calculated from the date of the last coupon payment (or "dated date") through the closing date of the statement, based on information provided by the Issuer. Your closing cash, money market fund and/or deposit balance represents the total of all cash, money market funds and/or deposits, and reflects the net month end balance. Global Currency Deposits are reflected in U.S. dollars as of the statement end date. The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to *http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures*

Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA. You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. (Other special rule may apply, for example, in conversions or recharacterizations of Traditional to Roth/Roth to Traditional IRAs). You should check with your tax advisor to verify how much you can contribute, whether or not the contribution will be tax deductible, and whether other special rules may apply. The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice. The account value used for your Required Minimum Distribution calculation is based on your account's prior December 31st Account Value including accrued interest.

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 arising out of free credit balances carried for customer accounts, provided that these funds are payable to customers on demand. 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.

Certain Assets Not Held At Morgan Stanley Smith Barney LLC

You may purchase certain assets through us that may be held at a financial institution other than Morgan Stanley Smith Barney LLC. Assets not held at Morgan Stanley Smith Barney LLC may not be covered by SIPC protection. We may include information about certain of these assets on this statement solely as a service to you and are not responsible for information (including valuation) derived by you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods. In the case of networked mutual funds, Morgan Stanley Smith Barney LLC performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, we perform all tax reporting.

Gain/(Loss) Information

Gain/(Loss) is provided for informational purposes only. It is not a substitute for Internal Revenue Service (IRS) Form 1099 (on which we report cost basis for covered securities) or any other IRS tax form. It is not intended to be used and should not be used for tax preparation. Unrealized Gain/(Loss) values provided on this statement are estimates. We recommend that you contact your own independent legal or tax advisor to determine the appropriate use of the gain/(loss) information provided on this statement. Gain/(Loss) information is calculated based upon general methodologies used for calculating Gain/(loss). The calculations do not account for each individual client's particular circumstances. We may not adjust basis for all events that you are required to take into account for tax reporting purposes and you may need to make additional adjustments to properly complete your tax returns. For accounts with Choice Select pricing, the commissions paid on your eligible equity and option purchases and sales are applied to the Total Cost on a monthly basis. With respect to estimated gains and losses for listed equity options, we have taken into account option premiums paid or received. With respect to multiple purchases and/or sales, Gain/(Loss) is calculated using an average price for all like positions. Unrealized and Realized Gain/(Loss) calculations may change due to adjustments to cost basis occurring after the date of this statement. We are not responsible for the accuracy of any gain and loss calculations based upon information provided by you or another financial institution. You are responsible for ensuring the accuracy of such information. We report the sale of securities on a First-in First-out (FIFO) basis unless a client notifies us of the specific securities to be sold. Clients wishing to use specific identification when selling securities must provide that information to us at the time of the sale.

Investment Objectives

For your reference, we have included below an explanation of the investment objective alternatives applicable to your account(s): Income - for investors seeking regular income with low to moderate risk to principal; Capital Appreciation - for investors seeking capital appreciation with moderate to high risk to principal; Aggressive Income - for investors seeking higher returns either as growth or as income with greater risk to principal; Speculation - for investors seeking high profits or quick returns with considerable possibility of losing most or all of

CONTINUED

Expanded Disclosures (CONTINUED)

their investment

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.

Important Information if you are a Margin Customer

If you have a margin account with us, as permitted by law we may use certain securities in your account for, among other things, settling short sales or lending the securities for short sales, and as a result may receive compensation in connection therewith.

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 *https://www.morganstanleyclientserv.com/Secure/AccountServicing/MIRates.aspx*

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.

Money Market Pricing

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Notice Regarding Investment Advisor Research

Morgan Stanley's Consulting Group Investment Advisor Research department conducts research on various mutual funds and exchange-traded funds for clients holding those funds in certain investment advisory programs. If you have instead invested in any of these funds in another type of account, such as a brokerage account, you will not receive the same research materials and status updates on the funds as we provide to investment advisory clients (including instructions on selling fund shares).

Pricing of Securities

The prices of securities displayed on this statement are derived from various sources, and do not necessarily represent the prices at which those securities could have been bought or sold. Although we attempt to use reliable sources of information, we can offer no assurance as to their accuracy. For exchange traded securities, or those trading continually in an active marketplace, the price reflects the closing price as of the last business day of your statement period; and generally bid prices for securities that are neither exchange traded nor trading continually in an active marketplace. The prices of securities not actively traded may not be available, and are indicated by N/A (not available). The markets for some fixed income and preferred securities may not be liquid, and prices may be approximations or estimates. For these and for securities that trade less frequently, we rely on outside pricing services and / or computerized pricing models, which cannot always give us actual market values. Prices may be based on: recent transactions or bids, if available; independent quotation services that use computerized valuation formulae to calculate prices based on institutional quantities; or estimates. As a result, yields to call and/or maturity may be estimates as well. Prices for non-institutional quantities of some fixed income securities are likely to be different than institutional prices. Some annuity values provided by outside sponsors are estimates. The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless we have obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values. Furthermore some securities, such as limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts shown on this statement may not equal the amounts you would receive if you sold or tendered your investment. The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to us by the correspondent custodian. If we cannot obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information concerning the prices of positions on your statements.

Important Information About Auction Rate Securities

The following information applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you. 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. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement in most cases reflect par value, but may be derived from various sources. These prices may differ from: prices provided to us or our affiliates by outside pricing services; our affiliates' own internal bookkeeping valuations; prices of transactions executed any secondary market that exists or may develop; and/or the prices at which issuer repurchases or redemptions may occur.

Special Considerations Regarding Structured Products

Structured Products are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also 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. Accrued interest, estimated annual income and estimated yield for

Expanded Disclosures (CONTINUED)

structured products with a contingent income feature, including Range Accrual Notes and Contingent Income Notes, assume optimal performance of the underlying asset(s) and payment in full of all contingent interest. However, contingent interest is only paid if the specified accrual conditions are met during the relevant observation period. Actual accrued interest, annual income and yield will be dependent upon the performance of the underlying asset(s) and may be significantly lower than the estimates shown. For more information about the risks specific to your Structured Products, you should contact your Financial Advisor.

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.

Tax Reporting

Under Federal Income Tax law, Morgan Stanley Smith Barney LLC is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by February 15 of the year following the calendar year of the transaction for reportable (i.e. non-retirement) accounts. For the sale of certain securities acquired on or after January 1, 2011, we are required to report additional transaction information on Form 1099-B .The information reported on your Form 1099-B for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year. Under U.S. Internal Revenue Service regulations, if you have not provided us with a certification of either U.S. or foreign status on an appropriate Form W-9 or W-8, your accounts may be subject to either 28% back-up withholding or 30% nonresident alien withholding, as applicable, on payments made to your accounts.

Total Income (This Period/This Year)

Total income, as used in the income summaries, represents dividends and/or interest on securities we receive on your behalf and credit to your account(s) during the calendar year. We report dividend distributions and taxable bond interest credited to your account to the Internal Revenue Service. The totals we report may differ from those indicated as "This Year" figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).

Transaction Dates and Transaction Conditions

Transactions display trade date and settlement date. Securities transactions are included on this statement on trade date basis (excluding BDPs and MMFs). Trades that have not settled as of statement month end will also be displayed in the "Unsettled Purchase/Sales Activity" section. Upon written request, we will give you 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.

U.S. Treasury Circular 230 Disclosure

Morgan Stanley Smith Barney LLC does not render advice on tax and tax accounting matters to clients. The information provided herein was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under US federal tax laws

Revised 5/2013

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