

**California Mental Health Services Authority  
FINANCE COMMITTEE TELECONFERENCE  
AGENDA**

April 2, 2018

9:00 a.m. – 10:00 a.m.

Dial-in Number: 916-233-1968

Access Code: 3043



**CaIMHSA**

3043 Gold Canal Drive, Suite 200  
Rancho Cordova, CA 95670

**Colusa County**

Department of Behavioral Health  
162 E. Carson Street, Suite A  
Colusa, CA 95932

**Los Angeles County**

Mental Health  
550 S. Vermont Avenue, 10<sup>th</sup> Floor  
Los Angeles, CA 90020

**Madera County**

Behavioral Health Services  
209 E. 7<sup>th</sup> Street  
Madera, CA 93637

**Kern County**

Behavioral Health & Recovery Services  
2001 28<sup>th</sup> Street  
Bakersfield, CA 93301

*In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Laura Li at (916) 859-4818 (telephone) or (916) 859-4805 (facsimile). Requests must be made as early as possible, and at least one full business day before the start of the meeting.*

*Materials relating to an item on this agenda submitted to this Board after distribution of the agenda packet are available for public inspection at 3043 Gold Canal Drive, Suite 200, Rancho Cordova, CA, 95670, during normal business hours.*

**FINANCE COMMITTEE MEETING**

**1. CALL TO ORDER**

**2. ROLL CALL AND PUBLIC COMMENT INSTRUCTION**

The Committee welcomes and encourages public participation in its meetings. This time is reserved for members of the public (including stakeholders) to address the Committee concerning matters on the agenda. Items not on the agenda are reserved for the end of the meeting. Comments will be limited to three minutes per person and 20 minutes total.

For agenda items, public comment will be invited at the time those items are addressed. Each interested party is to complete the Public Comment Card and provide it to CalMHSA staff prior to start of item. When it appears there are several members of the public wishing to address the Committee on a specific item, at the outset of the item, the Committee President may announce the maximum amount of time that will be allowed for presentation of testimony on that item. Comment cards will be retained as a matter of public record.

**3. INVESTMENT MANAGEMENT UPDATE.....3**

- A. CalMHSA Resolution No. 18-01, Board of Directors Investment Policy
- B. Morgan Stanley Overview and Proposed Services
- C. Morgan Stanley Institutional Cash Advisory Program Description

***Recommendation: Continue to use Morgan Stanley Smith Barney for the investment of funds.***

**4. PUBLIC COMMENT**

This time is reserved for members of the public to address the Committee relative to matters of CalMHSA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and twenty minutes in total. The Committee may also limit public comment time regarding agenda items, if necessary, due to a lengthy agenda.

**5. CLOSING COMMENTS**

**6. ADJOURNMENT**

## Agenda Item 3

### **SUBJECT: INVESTMENT MANAGEMENT UPDATE**

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#### **ACTION FOR CONSIDERATION:**

Finance Committee recommendation for Board approval of the Investment Policy and continue investments with Morgan Stanley

#### **BACKGROUND AND STATUS:**

Attached is the updated Investment Policy. The updates are reflecting the minor updates within the Government Code.

CalMHSA has utilized Morgan Stanley for the purpose of investment, since 2011. During the times when CalMHSA had funds to invest (2011-2015 principally) Morgan Stanley was able to generate over \$3m in additional funds. Since that time we have continued to utilize Morgan Stanley to a limited degree, relying more heavily on LAIF.

Staff has had recent discussions with Morgan Stanley, specifically as to their ability to achieve greater earnings than LAIF. They have affirmed that currently they are achieving greater than a 30% increase of the LAIF return, which will increase in these times of rising interest rates. This is quoted net of fees of ten Basis Points.

Due to the incoming funds for Innovation and the varied use, staff recommends reducing funds at LAIF and add funds from Innovation to the Morgan Stanley investment plan. All investments are, as before, in compliance with our Investment Policy and the Government Code.

#### **FISCAL IMPACT:**

Increased Revenue

#### **RECOMMENDATION:**

Continue to use Morgan Stanley Smith Barney for the investment of funds.

#### **TYPE OF VOTE REQUIRED:**

Majority vote.

#### **REFERENCE MATERIAL(S) ATTACHED:**

- CalMHSA Resolution No. 18-01, Board of Directors Investment Policy
- Morgan Stanley Overview and Proposed Services
- Morgan Stanley Institutional Cash Advisory Program Description

## CalMHSA Board of Directors Investment Policy

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### Resolution No. 18-01

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**WHEREAS**, CalMHSA recognizes the need to clearly identify the objectives and guidelines for the investment and management of funds,

**WHEREAS**, this policy is intended to comply with the California Government Code Sections 53600-53610 and 53630-53686,

**NOW THEREFORE**, the Board of Directors hereby confirms that the Board of Directors Investment Policy is effective as of the date of this meeting, April 11, 2018.

### **CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY**

#### **Board of Directors Investment Policy**

##### **I. Statement of Purpose**

The purpose of this document is to clearly identify the objectives and guidelines for the investment and management of funds under the direction of the California Mental Health Services Authority (CalMHSA). This policy is intended to comply with the California Government Code Sections 53600-53610.

##### **II. Scope**

This statement of investment policy applies to all financial assets of CalMHSA.

##### **III. Delegation of Authority**

The CalMHSA Board of Directors (or delegated Committee) is responsible for directing and monitoring the investment management of CalMHSA assets. The Board of Directors may delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

- A. **Investment Management Consultant.** The consultant may assist the Board of Directors in establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
- B. **Investment Manager.** The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to help meet the objectives.
- C. **Custodian.** The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following

purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of applicable CalMHSA accounts.

#### **IV. General Investment Principles**

- A. Investments will be made solely in the interest of CalMHSA.
- B. Funds will be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiarity with such matters would use in the investment of funds of like character and with like aims.
- C. Board members, staff and agents involved in the investment process must be free of conflict with proper execution of the investment program. This shall be accomplished by the following:
  - 1) Board members must comply with Government Code section 1090 et seq., which prohibits any involvement in a contract in which the director has an economic interest and
  - 2) Directors and staff involved in the investment process shall comply with the Conflict of Interest Code (disclosure as required under Resolution 09-01) and report conflicts as required by CalMHSA's Conflict of Interest Policy (Resolution 10-02).

#### **V. Investment Objectives (ranked in decreasing order of importance)**

- A. Maintaining the safety of principal
- B. Meeting the liquidity needs of CalMHSA
- C. Attaining a market rate of return on the investments which is consistent with the constraints imposed by safety objectives and cash flow considerations.

#### **VI. Investment Time Horizon**

The time period over which the investment objectives, as described in this statement, are expected to be met is 0–3 years.

#### **VII. Permitted Investments Under Government Code 53601**

- A. Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

- B. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- C. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- D. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- E. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- F. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- G. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

- H. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

- (A) Is organized and operating in the United States as a general corporation.
- (B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

- I. State of California’s Local Agency Investment Fund (LAIF). All governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.
- J. Repurchase Agreements. Investments in repurchase agreements may be made on an investment authorized in this investment policy statement, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. The counterparty will deliver the underlying securities to CalMHSa by book entry, physical delivery, or by third-party

custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

- K. Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 801-1 et seq.). To be eligible for investment, companies shall have met either of the following criteria: 1) attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations (NRSROs), 2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in money market mutual funds and with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares shall not exceed 20 percent of the CalMHSA investment portfolio.

## **VIII. Investment Guidelines and Constraints**

- A. To support the stated investment objectives, the portfolio must be constructed to minimize risk and maintain marketability.
- B. Investment maturities will be based on and scheduled to meet anticipated cash flow needs.
- C. Where this investment policy specifies maximum percentage limitations or credit quality criteria, the limitations and criteria are applicable at the date of purchase. If subsequent to the time of purchase, the credit quality of a holding falls below the allowed rating, the Investment Manager will notify CalMHSA and recommend a course of action. In the event that the percentage limit guidelines are exceeded subsequent to the time of purchase, the Board expects the Investment Manager to bring the portfolio into compliance within a time frame which allows for good trade execution.

## **IX. Reporting**

- A. Monthly statements showing positions marked to the market, all transactions, and summary of income will be provided to CalMHSA by the investment manager(s) and custodian.
- B. Quarterly investment performance and asset allocation reports will be provided to CalMHSA by the Investment Management Consultant and Investment Manager
- C. The Treasurer shall submit a quarterly report to the Board of Directors which complies with the requirements of Government Code Sections 53646 (b) and (c).



**X. Investment Policy Adoption and Review**

- A. The CalMHSA investment policy shall be adopted by the Board of Directors.
- B. The investment policy shall be reviewed on an annual basis by the Finance Committee and Board of Directors.
- C. Modification to the investment policy must be approved by the Board of Directors.

Date Adopted: April 11, 2018

Date of Last Revision: N/A

Replaces Resolution No: N/A

Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Abstains: \_\_\_\_\_ Absent: \_\_\_\_\_

_____	_____	_____
NAME	TITLE	DATE

## Morgan Stanley Overview & Range of Services

Morgan Stanley's liquidity & fixed income management business is a part of the firm's Institutional Wealth Services division and is referred to as Cash Investment Solutions ("CIS"). Cash Investment Solutions is comprised of 16 teams, with 28 professionals dedicated to providing private and public companies with Morgan Stanley's fixed income investment services. Regional offices are located in New York, Boston, Atlanta, Chicago, Dallas, Denver, San Francisco and Irvine, CA. Currently, \$45 billion in corporate & institutional fixed income assets are managed by Morgan Stanley for 300+ clients.

Morgan Stanley provides fiduciary fixed income investment management services to corporate & institutional clients. Our role involves working closely with our clients to understand & assess their needs and then implementing a suitable & cost effective solution.

Client portfolios are defined by our client's individual investment policy, but are generally comprised of US Government & Agency securities, Corporate & Bank debt obligations, Municipal debt and Money Market Funds. Each portfolio is separately managed and unique to each client's needs.

Credit monitoring and portfolio compliance will be synchronized with CalMHSA's Investment Policy & Clearwater Analytics. Morgan Stanley's CIS compliance department, based in New York, will oversee all portfolio compliance.

All security transactions are executed by Morgan Stanley's Advisory Trading Desk, located in Purchase, NY. Trading desk works with directly with 30+ primary dealers as well as electronic trading hubs (e.g. TradeWeb, Bloomberg). No securities will be purchased from Morgan Stanley's inventory and no commissions or embedded mark-ups will be charged to CalMHSA.

## Proposed Services

We propose managing CalMHSA's surplus cash as a Registered Investment Advisor on a fee based, fiduciary basis, in a manner consistent with CalMHSA's Investment Policy and any unique needs conveyed by the company to Morgan Stanley.

In addition, the following services would be provided:

- a. Custody & third party accounting reporting (Clearwater Advisors) will be provided at no additional cost to CalMHSA.
- b. Periodic or as needed wire transfers will be executed as requested & at no cost.
- c. Provide month-end & quarter-end accounting reports by close of first business day following the period's end.
- d. Provide supplemental portfolio reporting as needed by CalMHSA (e.g. chart packs for board meeting, typically including portfolio performance, compliance, risk and return attribution data).
- e. Provide ongoing guidance on US economy, Fed policy, interest rates and fixed income markets to ensure CalMHSA's portfolio is appropriately invested for the current market cycle.
- f. Morgan Stanley Compliance & Controls department will monitor on a daily basis the compliance of CalMHSA's portfolios with its investment policy. Our team will notify CalMHSA of any violations and recommend a course of action.
- g. Our team will provide on-site meetings or conference call discussions to provide CalMHSA with quarterly and/or annual reviews.

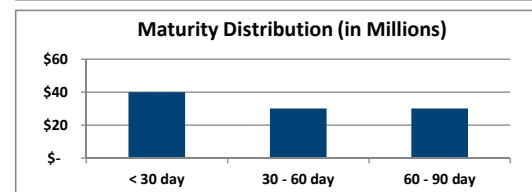
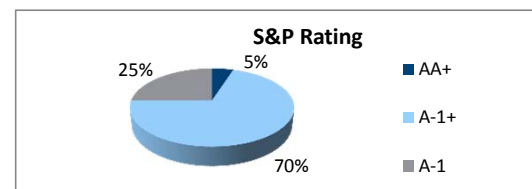
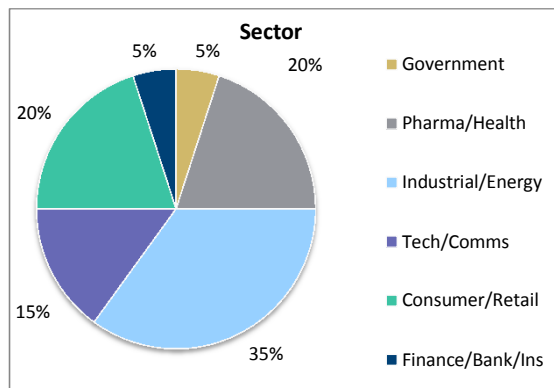
## Investment Management Fee Schedule

Fees are 10 basis points on invested assets

*Note – any cash held in money market funds will not be subject to investment management fees. Morgan Stanley offers a wide range of third party, institutional money market funds comparable to those offered on bank investment portals or access directly through the fund manager.*

## Sample Portfolio Allocation High Grade Corporate - 90 day

Summary	
<b>Date:</b>	<b>3/20/2018</b>
<b>Portfolio Value:</b>	<b>100,000,000</b>
<b>Weighted Avg Maturity (Days):</b>	<b>45</b>
<b>Weighted Avg Yield to Maturity:</b> <i>(Net of 0.10% Mgmt Fee)</i>	<b>1.79%</b>
<b>Maximum Maturity:</b>	<b>90 days</b>
<b>Credit Exposure:</b>	<b>Diversified Investment Grade Corporate Debt (A or better)</b>

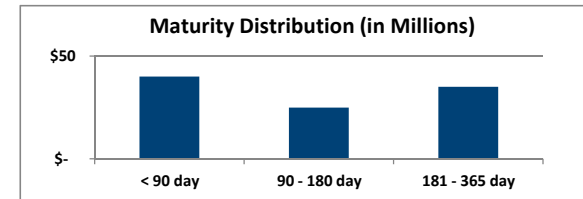
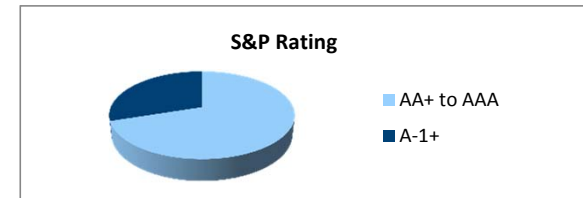
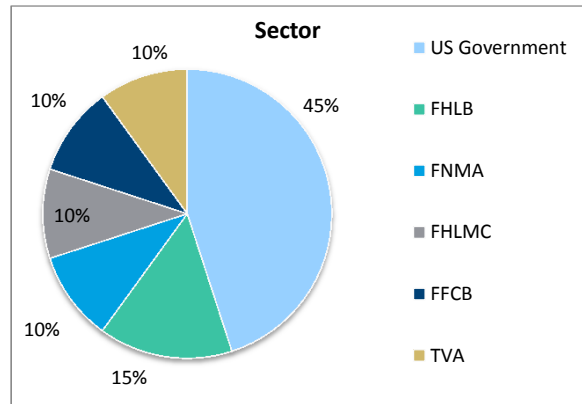


Par Value	Issuer	Maturity	Days to Mat.	Yield	S&P	Moody's	Sector	% of Portfolio
5,000,000	BlackRock FedFund Gov't MMF	03/21/18	1	1.43%	AA+	Aaa	Government	5.00%
5,000,000	Bristol-Myer Squibb	03/27/18	7	1.70%	A-1+	P-1	Pharma/Health	5.00%
5,000,000	Bridgestone America	03/28/18	8	1.70%	A-1	P-1	Industrial/Energy	5.00%
5,000,000	Archer Daniels-Midland	04/05/18	16	1.68%	A-1	P-1	Industrial/Energy	5.00%
5,000,000	Praxair Inc	04/10/18	21	1.75%	A-1	P-1	Industrial/Energy	5.00%
5,000,000	Merck & Co Inc	04/12/18	23	1.75%	A-1+	P-1	Pharma/Health	5.00%
5,000,000	BASF AG	04/17/18	28	1.80%	A-1	P-1	Industrial/Energy	5.00%
5,000,000	Novartis Finance	04/19/18	30	1.80%	A-1+	P-1	Pharma/Health	5.00%
5,000,000	Metlife Funding	04/26/18	37	1.90%	A-1+	P-1	Finance/Bank/Ins	5.00%
5,000,000	Walt Disney Company	05/01/18	42	1.83%	A-1	P-1	Consumer/Retail	5.00%
5,000,000	Cisco Systems	05/03/18	44	1.85%	A-1+	P-1	Tech/Comms	5.00%
5,000,000	Shell Int'l Finance	05/09/18	50	1.85%	A-1+	P-1	Industrial/Energy	5.00%
5,000,000	Pfizer Inc.	05/15/18	56	1.88%	A-1+	P-1	Pharma/Health	5.00%
5,000,000	Toyota Motor Credit	05/17/18	58	1.90%	A-1+	P-1	Industrial/Energy	5.00%
5,000,000	Coca-Cola Company	05/24/18	65	1.80%	A-1+	P-1	Consumer/Retail	5.00%
5,000,000	Johnson & Johnson Inc	05/31/18	72	1.74%	A-1+	P-1	Consumer/Retail	5.00%
5,000,000	Intel Corp	06/07/18	79	1.87%	A-1+	P-1	Tech/Comms	5.00%
5,000,000	Apple Inc	06/12/18	84	1.80%	A-1+	P-1	Tech/Comms	5.00%
5,000,000	Exxon Mobile Corp	06/14/18	86	1.80%	A-1+	P-1	Industrial/Energy	5.00%
5,000,000	Wal-Mart Stores Inc	06/15/18	87	1.88%	A-1+	P-1	Consumer/Retail	5.00%

*The Holdings are shown for informational purposes only and should not be deemed a recommendation to purchase or sell the securities mentioned. Holdings will vary and there can be no guarantee that these securities will be held in a client's account. It should not be assumed that the transactions or holdings discussed were or will be profitable. For illustrative purposes only. For Use with Institutional Clients only - Not for use with the General Public.*

## Sample Portfolio Allocation - US Gov/Agy 12 month

Summary	
<b>Date:</b>	<b>3/20/2018</b>
<b>Portfolio Value:</b>	<b>100,000,000</b>
<b>Weighted Avg Maturity (Days):</b>	<b>141</b>
<b>Weighted Avg Yield to Maturity:</b> <i>(Net of 0.10% Mgmt Fee)</i>	<b>1.73%</b>
<b>Maximum Maturity:</b>	<b>12 months</b>
<b>Credit Exposure:</b>	<b>US Government/Agency</b>



Par Value	Issuer	Maturity	Days to Mat.	Yield	S&P	Moody's	Sector	% of Portfolio
5,000,000	BlackRock T-Fund MMF	03/21/18	1	1.43%	AA+	Aaa	US Government	5.00%
5,000,000	Federal Home Loan Bank	03/27/18	7	1.50%	A-1+	P-1	FHLB	5.00%
5,000,000	U.S. Treasury Bill	04/05/18	16	1.47%	A-1+	P-1	US Government	5.00%
5,000,000	U.S. Treasury Bill	04/19/18	30	1.57%	A-1+	P-1	US Government	5.00%
5,000,000	Fannie Mae	05/01/18	42	1.55%	A-1+	P-1	FNMA	5.00%
5,000,000	TVA	05/15/18	56	1.61%	A-1+	P-1	TVA	5.00%
5,000,000	Freddie Mac	05/29/18	70	1.59%	A-1+	P-1	FHLMC	5.00%
5,000,000	U.S. Treasury Bill	06/07/18	79	1.58%	AA+	Aaa	US Government	5.00%
5,000,000	Freddie Mac	06/28/18	100	1.68%	AA+	Aaa	FHLMC	5.00%
5,000,000	Federal Home Loan Bank	07/18/18	120	1.74%	AA+	Aaa	FHLB	5.00%
5,000,000	Federal Farm Credit Bank	07/27/18	129	1.75%	AA+	Aaa	FFCB	5.00%
5,000,000	U.S. Treasury Note	07/31/18	133	1.71%	AA+	Aaa	US Government	5.00%
5,000,000	U.S. Treasury Note	08/31/18	164	1.78%	AA+	Aaa	US Government	5.00%
5,000,000	TVA	09/20/18	184	1.87%	AA+	Aaa	TVA	5.00%
5,000,000	U.S. Treasury Note	09/30/18	194	1.83%	AA+	Aaa	US Government	5.00%
5,000,000	Federal Farm Credit Bank	11/15/18	240	1.95%	AA+	Aaa	FFCB	5.00%
5,000,000	U.S. Treasury Note	12/15/18	270	1.96%	AA+	Aaa	US Government	5.00%
5,000,000	Fannie Mae	01/10/19	296	2.02%	AA+	Aaa	FNMA	5.00%
5,000,000	Federal Home Loan Bank	02/19/19	336	1.99%	AA+	Aaa	FHLB	5.00%
5,000,000	U.S. Treasury Note	02/28/19	345	1.98%	AA+	Aaa	US Government	5.00%

*The Holdings are shown for informational purposes only and should not be deemed a recommendation to purchase or sell the securities mentioned. Holdings will vary and there can be no guarantee that these securities will be held in a client's account. It should not be assumed that the transactions or holdings discussed were or will be profitable. For illustrative purposes only. For Use with Institutional Clients only - Not for use with the General Public.*

## Institutional Cash Advisory Program

This Agreement describes the services provided to the undersigned client's (the "Client") cash management account(s) (the "Account") established in the Morgan Stanley Smith Barney LLC ("MSSB") Institutional Cash Advisory Program (the "Program"). See the applicable MSSB ADV brochure (the "MSSB ADV Brochure") for more details about this Program. Should you have any questions or need additional information, please contact your Financial Advisor or your MSSB Corporate Cash Investment Director (defined below).

The terms "you" and "your" in this Agreement refer to the person or persons who sign this Agreement. If you are opening the Account on your own behalf, you also are the "Account Holder." If the Account is being opened for a corporation, partnership, or other entity or by a trustee or trustees for a personal trust or trust related to a retirement plan, that entity or trust is the "Account Holder" for purposes of this Agreement, and "you" are the person, such as a trustee, authorized corporate officer, or other fiduciary, that is opening the Account.

**1. SERVICES TO BE PROVIDED.** MSSB shall, on a fully discretionary basis, invest and reinvest the assets in the Account (the "Assets") in accordance with the investment criteria set forth in the Client's Investment Policy Statement ("IPS"), as reflected in the Rules Matrix (as defined below) and the Program's investment guidelines.

MSSB shall convert the IPS to a quantifiable rules matrix (the "Rules Matrix") for the account, which shall be returned to the Client for review and acceptance. Once the Client accepts and returns a signed copy of the Rules Matrix to MSSB, it shall be entered into Clearwater Analytics' system ("CW"). Should there be any ambiguity between the Rules Matrix and the IPS, the Rules Matrix as approved by Client shall control. Should any Assets held in the account fall outside of the Rules Matrix, MSSB may liquidate such assets in an orderly manner within a commercially reasonable amount of time. The Client may provide MSSB with a written waiver of adherence to the Rules Matrix in certain limited circumstances. When the Client provides a waiver of the Rules Matrix, MSSB may continue to hold positions in the Account that fall outside of the parameters established by the Rules Matrix, subject to the provisions set forth in the waiver. The Client may revise the IPS from time to time. In such event, Client shall deliver the IPS to MSSB for review and MSSB shall generate a revised Rules Matrix which, upon Client written consent, shall be input into the CW system and shall apply to the Account.

Through the Program, a MSSB Corporate Cash Investment Director ("CCID") will be primarily responsible for making investment management decisions for the Account. If for any reason, and in the sole discretion of MSSB, the CCID is unable to render such investment services to the Account, temporarily or permanently, or terminates his employment with MSSB, MSSB shall continue to render such services and shall promptly assign a new CCID to the Account on a temporary or permanent basis. MSSB shall notify the Client of the assignment of such new CCID.

In connection with the services being provided to Client under this Agreement, MSSB shall be entitled to rely on the financial and other information provided by Client to MSSB in writing from time to time by Client or Client's Authorized Officers. Client agrees to inform MSSB in writing of any material change in Client's circumstances which might affect the manner in which Client's assets should be invested or the services provided under this Agreement. Client understands that decisions to purchase or sell Assets shall be made by MSSB and not by the Client. Notwithstanding the foregoing, MSSB shall not provide any investment management services with respect to Account assets designated by Client and MSSB as assets that are not subject to the terms of this Agreement.

**2. FEES.** Client shall pay MSSB for its services an annual fee as a percent of the Market Value of the Account as set forth on page 9 of this Agreement (the "Fee").

The Fee includes all fees or charges of MSSB (including brokerage commissions, compensation to your CCID and, if applicable, MSSB custodial charges). The Fee does not include the following: (a) charges for services provided by MSSB, its affiliates or third parties which are outside the scope of this Agreement (e.g., retirement plan administration fees, trustee fees, etc.); (b) any taxes or fees imposed by exchanges or regulatory bodies; and (c) brokerage commissions or other charges resulting from transactions not effected through MSSB or its affiliates. Each of these additional charges may be separately charged to the Account or reflected in the price paid or received for a given security. If open or closed end mutual funds or exchange traded funds (collectively, "Funds") are utilized by MSSB as Account investments, any such Fund may pay its own separate investment advisory fees and other expenses to the fund manager or other service provider. In addition, an open-end mutual fund may charge distribution or servicing fees. In

such cases (subject to the provisions of Section 8 below for ERISA accounts), these fees or expenses will be in addition to the Fee paid by Client on the Account.

The Fee shall be paid quarterly in arrears based on the average market value of the Account on the last business day of each month in the quarter. The initial Fee shall be prorated to the date the account is opened. Client authorizes MSSB to deduct any and all Fees when due from the assets contained in the Account if the assets are custodied at MSSB. If MSSB is not the custodian, Client agrees to authorize and instruct its custodian in writing to deduct the MSSB Fee quarterly from the Client's account upon receipt of an invoice from MSSB. In the event this Agreement is terminated by either party prior to the end of a billing period, a pro-rata Fee will apply.

MSSB shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of Client, although MSSB may be compensated based upon the total Market Value of the Account as of definite dates. For the duration of this Agreement, a portion of the Fee in connection with the Account will be paid to Client's CCID and other employees of MSSB and its affiliates.

**3. TRADING AND EXECUTION SERVICES.** Client hereby grants MSSB complete and unlimited discretionary investment and trading authorization with respect to the Account and appoints MSSB as agent and attorney-in-fact with respect to the same. Pursuant to such authorization, MSSB may, in its sole discretion and at Client's risk, subject to Rules Matrix, purchase, sell, exchange, convert and otherwise trade the Assets and other investments (including, but not limited to affiliated and unaffiliated Funds), in the Account, as well as arrange for delivery and payment in connection with the above and act on behalf of Client in all other matters necessary or incidental to the handling of the Account.

This power of attorney and trading authorization shall be valid so long as the client remains in legal existence. This trading authorization is a continuing one and shall remain in full force and effect until terminated by Client or MSSB in writing. The termination of this authorization will constitute a termination of this Agreement.

As a general matter, MSSB shall use the execution services of MSSB or its affiliates to effect transactions for the purchase and/or sale of Assets and other investments in the Account. Transactions shall be executed through a broker or dealer other than MSSB or its affiliates, only when MSSB reasonably believes in good faith that such other broker or dealer will provide better execution than would be the case if the transaction were executed through MSSB. In evaluating which broker or dealer will provide the best execution, MSSB will consider the full range and quality of a broker's or dealer's services including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility and responsiveness. MSSB may select broker-dealers which provide MSSB or MSSB with research or other transaction-related services and may cause Client to pay such broker-dealer commissions for effecting transactions in excess of the commissions other broker-dealers may have charged. Such research and other services may be used for MSSB's or MSSB's other client accounts to the extent permitted by law.

Pursuant to the provisions of Section 11(a) of the Securities Exchange Act of 1934, certain transactions effected by MSSB for certain clients on a national or regional securities exchange may be executed with MSSB and its affiliates only upon receipt of Client consent. Client specifically consents, in the absence of contrary instructions, to MSSB and its affiliates acting as broker for the Account. Where transactions are effected through MSSB or its affiliates, such parties may act, in the absence of instructions to the contrary, on an agency or principal basis, to the extent permitted by law and subject to applicable restrictions.

Client consents that some or all orders entered for Client's Account, including orders that may involve transactions for the CCID's personal or any other related account, may be aggregated with other clients of MSSB and executions of such orders be subsequently allocated to Client's Account at an averaged price across such orders. MSSB may from time to time and at its discretion act as principal (to the extent permitted by law) with respect to aggregated orders that result in allocations to Client's Account at an average price. Client's confirmations will identify when a transaction was effected at an average price and the average price at which it was effected, and, if so, whether MSSB acted as principal or agent for the transaction. Client may rescind this consent only by written instruction to MSSB.

Client hereby grants MSSB and its affiliates the authorization to effect "agency cross" transactions (i.e., transactions in which MSSB, or any person controlling, controlled by or under common control with MSSB, acts as broker for the party or parties on both sides of the transaction) with respect to the Account to the extent permitted by law. Client acknowledges that (i) MSSB or its affiliates may receive compensation from the other party to such transactions (ii) as such, MSSB will have a potentially conflicting division of loyalties and responsibilities and (iii) this consent to "agency cross" transactions can be revoked at any time by written notice to MSSB.

In no event will MSSB or its affiliates be obligated to effect any transaction for Client which they believe would be violative of any applicable state or federal law, rule or regulation, or of the rules or regulations of any regulatory or self-regulatory body.

For accounts where MSSB is not the custodian, the Client agrees to arrange with its custodian to provide the Client and MSSB with account statements at least quarterly, identifying the amount of funds and of each security in the account at the end of the reporting period and setting forth all transactions in the account during that period. MSSB will need to be notified promptly of any other changes in the account. For trades executed through MSSB, MSSB will provide the Client with copies of confirmations of securities transactions, and may provide additional periodic reports.

#### 4. CUSTODY OF ASSETS. SWEEP INVESTMENTS.

##### a. Custody

Unless Client makes arrangements at a third party custodian, or unless otherwise specifically disclosed to Client in writing, such as in connection with "sweep" assets custodied at Sweep Banks (as defined below) or, if applicable, the Sweep Fund pursuant to the Bank Deposit Program (as defined below), MSSB will generally maintain custody of the cash, securities, and other assets in the Account and will receive and credit to the Account all interest, dividends and other distributions received and the principal paid on called or matured Assets in the Account. MSSB is not responsible for custody of assets not in the Account.

If Client appointed a third party custodian, MSSB will not be acting as Client's custodian and will have no responsibilities with respect to such custodial arrangements. Client agrees to provide MSSB with, or provide MSSB access to, quarterly custodial statements. If Client elects to use a third party custodian, Client acknowledges that, notwithstanding anything to the contrary in any agreement between the Client and such custodian, the authority of MSSB to instruct the custodian with respect to disbursing or transferring funds and securities in the Client's Account is limited to instructing the custodian in connection with the purchase and sale of securities in the Client's Account and, if applicable, the payment of the MSSB Fee. Please see the applicable ADV Brochure for a detailed description of such outside custodial relationships.

To the extent permitted by applicable law, all assets held by MSSB in the Account shall be subject to a general lien for the discharge of all of your debts and obligations to MSSB and our affiliates, including any overpayment made by us with respect to the Account. You hereby authorize us, after debiting any uninvested cash or Sweep Investments (as defined below) in the Account, to sell any and all assets in your Account without notice to satisfy this general lien. In enforcing this lien, we shall have the discretion to determine which securities and property are to be sold. We are hereby further authorized to transfer securities and other property from any other account at MSSB or our affiliates in which you have an interest, regardless of whether there are other account owners, in order to satisfy deficiencies in the Account. Notwithstanding the foregoing, we will not look to Plan (as defined in Section 8 below) accounts to satisfy any deficiency, debt or obligation that exists in connection with any non-Plan account that we maintain for you, nor will we look to non-Plan accounts to satisfy any deficiency, debt or obligation that exists in connection with any Plan accounts.

##### b. Sweep Investments

Unless you elect otherwise, when MSSB is the custodian for the Account, all uninvested cash and allocations to cash in your Account will automatically "sweep" into interest-bearing bank deposit accounts ("Deposit Accounts") established under a Bank Deposit Program (the "Bank Deposit Program") or money market mutual funds, including but not limited to those managed by Morgan Stanley Investment Management Inc., or another one of our affiliates (each, a "Money Market Fund" and, together with Deposit Accounts, "Sweep Investments"). Allocations to cash that are part of an overall asset allocation will be limited to investments in either Deposit Accounts or an alternative Money Market Fund (if available). Uninvested cash and allocations to cash including assets invested in Sweep Investments are included in the Fee calculation hereunder.

The Bank Deposit Program is the default Sweep Investment for all accounts, unless you affirmatively elect an alternative, if available, or are otherwise ineligible to participate in the Bank Deposit Program (e.g. certain clients residing outside the United States).

Through the Bank Deposit Program, Deposit Accounts are established for you at one or more of the following banks (individually and collectively, the "Sweep Banks"): (i) Morgan Stanley Bank, N.A. and/or (ii) Morgan Stanley Private Bank, National Association. The Sweep Banks are affiliated with MSSB.

If the Bank Deposit Program is your Sweep Investment, you authorize us, as your agent, to establish the Deposit Accounts for you, and to make deposits into, withdrawals from and transfers among the Deposit Accounts.

Funds will be deposited into your Deposit Accounts at the Sweep Banks up to a total deposit amount of \$2,000,000 across both Sweep Banks (the "Deposit Maximum"). Once the deposited funds reach the Deposit Maximum, any additional free credit balances will be swept, without limit, into an applicable money market fund for eligible accounts (the "Sweep Fund"). If your account is eligible, the Sweep Fund available for your Account is the Morgan Stanley Institutional Liquidity Funds Government Securities Portfolio (symbol MGPXX). A prospectus that sets forth the investment risks and other important information about the Sweep Fund will be mailed to you upon the first deposit into the Sweep Fund. The Deposit Maximum and the Sweep Fund are subject to change with prior notice to you from MSSB.

Terms of the Bank Deposit Program are further described in the Bank Deposit Program Disclosure Statement, which will be provided to you upon your first investment in the Bank Deposit Program. You understand that we may amend the list of Sweep Banks at any time with 30 days written notice to you.

You acknowledge (i) that you (and not MSSB or its affiliates) are responsible to monitor the total amount of deposits you have at each Sweep Bank in order to determine the extent of FDIC insurance coverage available to you; and (ii) that MSSB is not responsible for any insured or uninsured portion of your deposits at any of the Sweep Banks.

Unless otherwise specifically disclosed to you in writing, such as in connection with the Bank Deposit Program noted above, investments and services offered through MSSB are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, the Sweep Banks, and involve investment risks, including possible loss of the principal invested.

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

An investor should consider the investment objectives, risks, and charges and expenses of a money market fund(s) carefully before investing. A prospectus which contains this and other important information about any applicable money market fund may be obtained from your Financial Advisor or from Morgan Stanley Investment Management at <http://www.morganstanley.com/im/en-us/individual-investor.html>. Please read the prospectus carefully before investing or sending money.

Alternatively, if a Money Market Fund is your Sweep Investment, you authorize us, as your agent, to make investments in, and redemptions from, the Money Market Fund.

You may obtain information with respect to the current yields and interest rates on Sweep Investments, as well as any applicable Bank Deposit Program Disclosure Statement, by contacting your Financial Advisor or through Morgan Stanley's website at [http://www.morganstanley.com/wealth-investment-strategies/pdf/BDP\\_disclosure.pdf](http://www.morganstanley.com/wealth-investment-strategies/pdf/BDP_disclosure.pdf) and <http://www.morganstanley.com/wealth-investmentstrategies/ratemonitor.html>. You acknowledge that Morgan Stanley may with thirty (30) days written notice (i) make changes to these sweep terms; (ii) make changes to the terms and conditions of any available sweep investment; (iii) change, add or delete the products available as a sweep option; (iv) transfer your sweep investment from one sweep product to another.

**5. ACCOUNT MINIMUM.** The minimum Account size is generally \$10,000,000 ("Account Minimum"). MSSB may impose a higher minimum upon prior written notice to Client. If the Account falls below the Account Minimum, MSSB has the right either to require you to deposit additional money or securities to bring the Account up to the Account Minimum or close the Account.

**6. VALUATION.** In computing the fair market value of any security or other investment in the Account, a security listed on a national securities exchange shall



be valued, as of the valuation date, at the market closing composite price (the consolidated tape price). Generally, the prices of bonds, particularly municipal bonds, are obtained from third-party quotation services whose prices are based either on closing prices, the most recent trades of round lots of \$1 million, the mean between the bid and asking price of these lots, or a matrix based on interest rates for similar Assets. As such, pricing will not reflect round lot/odd lot differentials. (Odd lots are anything smaller than \$1 million and can be as small as \$5,000 or \$10,000.) On average, odd lot prices are lower than round lot prices. Fees are based upon round lot valuations. Where prices are not available from quotation services, MSSB may use such prices that in MSSB's judgment best reflect the market prices of the Assets. In either case, MSSB does not guarantee the accuracy of such prices. These prices should not be considered firm bids or offers, and may be subject to fluctuations due to lot size and market conditions. Any other Assets or investments in the Account shall be valued in a manner determined in good faith by MSSB, in its sole discretion, to reflect market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets in the Account.

If MSSB is not the custodian for the Account, in computing the fee with respect to the Account, MSSB shall rely on information received from the Client's custodian with respect to the value of assets in the Account. If any information to be provided by the custodian is unavailable or believed to be unreliable, MSSB will value assets in a manner it determines in good faith to reflect fair market value.

**7. CLIENT AUTHORITY & REPRESENTATIONS.** Clients represents and warrants (i) that it has full power and authority to enter into this Agreement and to give orders and other instructions with respect to the Account, (ii) that the terms of this Agreement do not violate any obligation by which it is bound, whether arising by contract, operation of law, or otherwise, and that this Agreement has been duly authorized and will be binding according to its terms.

Client certifies that it is authorized to delegate investment management authority to MSSB under the terms of any trust document, any other governing instrument of the Account Holder, and/or under any applicable laws and regulations and that the other services provided under this Agreement are authorized by that document or instrument or applicable law and regulations. You represent that you have provided us with a copy of any document containing investment objectives, guidelines, restrictions, or a policy statement applicable to the Account Holder. You represent that the Program, including the Program investment framework, as described in the MSSB ADV Brochure, is consistent with any such document. You undertake to advise us of any material change in your authority or the propriety of Account Holder's participation in the Program.

MSSB is authorized to accept instructions concerning the Account, including withdrawal instructions, from any authorized person listed in the account opening documents ("Authorized Individual"). Client shall promptly inform MSSB in writing of any change in the composition of the Authorized Individuals. Subject to our policies, in the event we receive conflicting instructions, or reasonably believe instructions from one Authorized Individual might conflict with the wishes of another Authorized Individual, we may do any of the following: choose which instructions to follow and which to disregard; suspend all activity in the Account until written instructions signed by all Authorized Individuals are received; terminate the Account; or take other legal action. You understand that for all forms of joint ownership of the Account, each Account owner may act independently, as if he or she were the sole owner, without the other owners, and without limitations.

Client represents that Client has determined that Institutional Cash Advisory Program is a suitable investment program given the Client's current financial situation and investment objectives. Client represents that it has received and read this Agreement (including the Fee schedule) which includes a dispute arbitration clause in Section 19 below.

The Client represents and warrants that all assets managed by MSSB for the Client pursuant to this Agreement are free from any security interests, liens, or encumbrances exercisable by any third party against such assets and the Client shall not grant a security interest, lien, or encumbrance on any such assets for the benefit of any third party, except at MSSB's direction. The Client agrees to notify MSSB immediately if it learns that any security interest, lien, or encumbrance is created against any assets managed by MSSB and the Client agrees to indemnify and hold MSSB harmless from any and all expenses, damages, costs, and fees, including reasonable attorneys' fees and expenses, incurred by MSSB as a result of any security interest, lien, or encumbrance being created on such assets. Client represents that neither it nor any person who has an ownership interest in or authority over this Account knowingly owns, operates or is associated with a business that uses, at least in part, the Internet to receive or send information that could be used in placing, receiving or otherwise knowingly transmitting a bet or wager.

Client understands that, in order to open and continue managing the Account, MSSB is required to obtain certain information from Client. If this information is not fully provided or provided in a timely manner, MSSB may suspend trading in the Account until the information is provided and/or terminate the Account. Client agrees to deliver to MSSB, in writing, all of the information that MSSB may require or reasonably request to perform their duties hereunder without violating or causing any violation of any applicable law.

**USA PATRIOT ACT NOTICE: IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT OR ESTABLISHING A NEW CUSTOMER RELATIONSHIP**

In order to help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each individual or institution that opens an account or establishes a customer relationship with MSSB. Therefore, before entering into a new client relationship, MSSB will ask for the names, addresses, dates of birth (as applicable) and other identification information. This information will be used to verify your identity. As appropriate, MSSB may, in its discretion, ask for additional documentation or information. If all required documentation or information is not provided, MSSB may be unable to open an account or maintain a relationship with you.

Client represents that neither Client nor any person who has an ownership interest in, or authority over, the Account is or has been a Politically Exposed Person or an immediate family member or close associate of a senior foreign political figure. If Client, any owner of, or authorized person on the Account is or has been such a figure, you are required to disclose that to MSSB and provide the necessary information required by law to open and/or to service your Account. By signing this Agreement Client also represents that this Account will not be used for any transactions with, or for the benefit of any person, entity or country subject to sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"). For the purposes of this paragraph, a "Politically Exposed Person" is a senior official in the executive, legislative, administrative, military or judicial branch of a foreign government (whether elected or not) or a major foreign political party, a senior executive of a foreign government-owned corporation or a corporation, business or other entity formed by, or for the benefit of, such a figure; "immediate family" includes, but is not limited to, parents, siblings, children and in-laws; "close associate" means a person who is widely and publicly known to maintain an unusually close relationship with a senior foreign political figure, including a person in a position to conduct substantial domestic and international financial transactions on behalf of such figure. For a fuller discussion of the preceding terms and definitions, see <http://www.federalreserve.gov/boarddocs/srletters/2001/sr0103.htm>.

**8. ERISA AND QUALIFIED RETIREMENT ACCOUNTS.**

- a. This Section applies if the Account is being opened for a plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), for a plan as defined in section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "Code") (including without limitation an individual retirement account) or a plan or other arrangement subject to fiduciary and prohibited transaction requirements of substantially similar state, local or foreign law (each, a "Plan"). MSSB represents to a Client who is a Plan subject to ERISA and/or section 4975 of the Code that, with respect to the performance of its duties under this Agreement, MSSB is a "fiduciary" as that term is defined in ERISA with respect to the Account.
- b. If the Account is being opened for a Plan subject to ERISA, you acknowledge that you are a "named fiduciary" with respect to the control and management of the assets held in the Account, and will notify MSSB promptly of any change in the identity of the named fiduciaries with respect to the Account. You represent that you are independent of us and our affiliates, are capable of making an independent decision regarding the investment of Plan assets, are knowledgeable with respect to the Plan in administrative matters and funding matters related thereto, and are able to make an informed decision concerning the opening and maintenance of the Account. You will notify MSSB, in writing, within twenty-four (24) hours if any of the foregoing representations become inaccurate. You represent that opening the Account and any instruction you give with regard to the Account is consistent with applicable Plan and trust documents, adopted and pending, including any investment policies, guidelines or restrictions. You represent that you have provided MSSB with a copy of all such documents and that the Program, including the Program investment framework, as described in the MSSB ADV Brochure is consistent with those documents. You shall notify MSSB promptly orally or in writing of any modifications to the Plan's investment policies, guidelines or restrictions or of modifications to any other Plan documents pertaining to investments by the Plan. MSSB may require that any notification



regarding the Plan's investment policies, guidelines, or restrictions or modifications to any other Plan documents be in writing. If the assets in the Account constitute only a part of the assets of the Plan (as set forth in paragraph (c) below), you shall provide MSSB with a written description of which of the Plan's investment guidelines or policies are applicable to the Account. The compliance of any investment MSSB makes for the Account with any such investment guidelines, policies or restrictions shall be determined on the date of purchase only, based upon the price and characteristics of the investment on the date of purchase compared to the value of the Account as of the most recently preceding valuation date. No investment guidelines, policies, restrictions or other instructions shall be deemed breached as a result of changes in value or status of an investment occurring after purchase. It will be your responsibility to give MSSB prompt written notice if you deem any investments made for the Account to be inconsistent with such guidelines, policies, restrictions, or instructions.

- c. Unless you notify MSSB otherwise, you acknowledge that the Account is only a part of the Plan's assets. You understand that the services we perform under this Agreement shall have no effect on the assets of the Plan that are not in the Account and that we shall have no responsibility for such other assets. We are not responsible for Plan administration or for performing any other duties that are not expressly set forth in this Agreement and, therefore, we are not responsible for diversifying all of the investments of the Plan and you agree that the only responsibility that we shall have with respect to diversification will be to diversify the assets of the Account, within the provisions of the Program's guidelines and restrictions, so as to reduce the risk of large losses without regard to or consideration of any other assets which may be held by the Plan.
- d. You represent that you will deliver to MSSB, in writing, all of the information that we may require or reasonably request in order for us to perform our duties hereunder without violating or causing any violation of any applicable law. You represent that unless you inform MSSB otherwise in writing, that the company sponsoring the Plan is not a public company and does not have any affiliates that are public companies.
- e. Each party to this Agreement shall obtain and maintain at its own expense any insurance or bonds it deems necessary to cover itself and any of its affiliates, officers, directors, employees and agents in connection with this Agreement.
- f. With respect to the Fee, you acknowledge and represent that you have determined, to the extent such Fees are paid or payable from the Account or otherwise from assets of the Plan, that you have approved the payment of such Fees from the Plan's assets and have determined that such payment, either from the Account or from other assets of the Plan, comply with the terms of the Plan and the requirements of applicable law, including but not limited to ERISA and section 4975 of the Code. Further, to the extent that you have investments in Funds other than the Money Market Fund in the Account, you acknowledge that (i) you have determined that the offer of Funds as an investment within the Account complies with the terms of the Plan and any of its constituent documents, (ii) no affiliated Fund other than the Money Market Fund will be available for purchase in the Account and (iii) notwithstanding the provisions of Section 2 above, to the extent unaffiliated Funds are held in the Account, we will either (a) credit your Account with the amount of any shareholder services/distribution fees, revenue-sharing payments, shareholder and administrative services fee or other distribution, service and recordkeeping fees received by us or our affiliate from Funds that are not affiliated with us that are retained by us or such affiliate and that do not constitute "direct expenses" (as defined under regulations issued pursuant to ERISA), or (b) not collect any shareholder services/distribution fees, revenue-sharing payments, recordkeeping fees or shareholder and administrative services fee with respect to such Fund.
- g. **Affiliated Money Market Products/Float:** You understand that to the extent that any assets invested in the Money Market Fund are managed by one of our affiliates, we will to the extent necessary comply with ERISA Prohibited Transaction Exemption 77-4, ERISA Prohibited Transaction Exemption 84-24, or other applicable exemption with respect to such offer. You acknowledge that you have received the prospectus for the Money Market Fund and the "Affiliated Money Market Funds Fee Disclosure Statement" in or with the MSSB ADV Brochure. Based on these disclosures you have concluded that the investment in the Money Market Fund is appropriate. You also acknowledge that the Money Market Fund may pay a 12b-1 fee to us, which fee will be rebated to your Account as soon as practicable, but in no event longer than 30 days, and you acknowledge that any benefit from that use of the 12b-1 fee until the rebate is part of our compensation hereunder.

You also understand that the Account may, from time to time, include cash balances temporarily uninvested pending investment, pending distribution or as otherwise necessary or appropriate for the Account's administration. You agree that we may retain as compensation for its provision of services your Account's proportionate share of any interest earned on such uninvested cash balances held in your Account, otherwise known as "float." This amount is earned by us through investment in a number of short-term investment products and strategies, with the amount of such earnings retained by us, due to the short-term nature of the investments, being generally at the prevailing Federal Funds interest rate. The timing of sweep with respect to an Account (and thus the amount of "float" that may be earned by us) may depend, in part, on the underlying coding of the Account on our brokerage recordkeeping system — in particular, whether or not an Employee Benefit Trust ("EBT") is coded as a "Basic Security Account" ("BSA"), the brokerage platform for new EBT accounts, or on the Active Assets Account ("AAA"), the platform for older EBT accounts. On the AAA platform, with respect to such assets awaiting investment in excess of \$1: (i) where such assets are received for your Account on a day generally on which the New York Stock Exchange and/or the federal reserve banks are open ("Business Day"), float shall be earned by us through the end of that Business Day (known as the "Sweep Date"), with the client credited interest/dividends in such funds as of the next Business Day following the Sweep Date; (ii) where such assets are received on a Business Day that is not followed by another Business Day, or on a day which is not a Business Day, float shall be earned by us as broker through the end of the next Business Day. On the BSA platform, the sweep depends on the size of cash balances held in the account. For Accounts on BSA with \$1,000 or more available cash that qualifies as assets awaiting investment: (i) such interest shall be earned by us through the end of that Sweep Date, with the client credited interest/dividends in such funds as of the next Business Day following the Sweep Date; (ii) where such assets are received on a Business Day that is not followed by another Business Day, or on a day which is not a Business Day, such interest shall be earned by us through the next Business Day. For BSA Accounts with less than \$1,000 available cash, generally, if such assets are received for your Account on a Business Day that is a Monday through Friday, float shall be earned by us as broker through the following Monday. If such Monday is not a Business Day, float will be earned through the next Business Day. See the "Float Disclosure Statement" that you received in or with the ADV Brochure for further details.

- h. Generally, securities transactions for the Account are effected for Plans on an agency basis, with no additional transaction-based compensation. In addition, to the degree applicable, you specifically authorize us to effect "agency cross" securities transactions on behalf of the Plan, in accordance with the requirements of ERISA Prohibited Transaction Class Exemption 86-128 ("PTCE 86-128") and/or ERISA. You acknowledge that you can receive a copy of PTCE 86-128 upon request, and you understand that the authorization to utilize such exemption is terminable by you at will and that you have the right to request such information regarding such agency cross trading (if any) as we are required to provide under the provisions of ERISA or other applicable law. Further, consistent with the provisions of Section 3(a) above, you specifically authorize MSSB to use ECNs and ATSS (including ECNs and ATSS that are affiliates of us, or in which we may have an ownership interest) to effect trades on behalf of the Account.
- i. **PLAN PARTICIPANTS.** TO THE EXTENT THAT THE PLAN ACCOUNTS ARE BEING ESTABLISHED IN CONNECTION WITH A PLAN THAT PERMITS OR REQUIRES THAT INVESTMENT DIRECTION OF SUCH ACCOUNT BE MADE NOT BY THE NAMED FIDUCIARY, BUT BY PARTICIPANTS OR BENEFICIARIES OF SUCH PLAN (SUCH AS A CODE SECTION 401(K) PLAN), SUCH PARTICIPANT OR PARTICIPANTS WILL ALSO BE REQUIRED TO SIGN THE AGREEMENT, AND ACKNOWLEDGE CERTAIN REPRESENTATIONS, COVENANTS AND WARRANTIES IN THIS AGREEMENT.

To the extent that the Plan permits participants and beneficiaries of the Plan to direct investments in the Account, the participant in the Plan specifically acknowledges as follows:

- You, as a participant in the Plan, have also received and reviewed the terms of this Agreement and, pursuant to the term of your Plan, have selected the investments in your Account.
- You have reviewed the Fees payable from the Account, as disclosed in this Agreement, and have concluded, with respect to the Account, that the Fee and other charges payable hereunder are reasonable and appropriate for the services provided.
- In addition to the Client, you acknowledge receipt of a copy of this

Client Agreement (including the Fee schedule) and the MSSB ADV Brochure.

- You, as a participant in the Plan, acknowledge that directing the investments in the Plan Account involves assuming risk with respect to the assets in the Account, and that your individual investment portfolio (including, but not limited to, the assets allocated to your benefit in the Account) should be balanced and diversified in view of your individual investment objectives, risk parameters and liquidity needs within a Plan account context. You represent that any individual investment plan that you may have selected in connection with directing investments under the Account meets your anticipated retirement needs in view of your overall financial situation and that this selection may be different from the typical investment allocation for the investor type that was presented based on the information you, as participant, have provided.

## 9. POTENTIAL CONFLICTS OF INTEREST.

Client acknowledges that one or more of the conflicts of interest listed below exists or may exist with respect to our activities and those of our affiliates.

- If an affiliate of MSSB is a member of the underwriting syndicate from which a security is purchased, MSSB or its affiliates may directly or indirectly benefit from such purchase.
- Client understands that MSSB and its affiliates perform, among other things, investment banking, research, brokerage, and investment advisory services for other clients. In the course of its investment banking or other activities, MSSB and its affiliates may from time to time acquire confidential or material nonpublic information that may prevent MSSB, for a period of time, from purchasing or selling particular securities for the Account. Client acknowledges and agrees that MSSB will not be free to divulge to Client, or to act upon, such information with respect to our advisory or brokerage activities, including our activities with regard to the Account.
- Client recognizes that MSSB may give advice and take action in the performance of its duties to other clients (including those who may also be participants in MSSB programs) which may differ from advice given, or in the timing and nature of action taken, with respect to Client. Moreover, MSSB or any of its affiliates may advise or take action with respect to itself or themselves differently than with respect to Client. Nothing in this Agreement shall be deemed to impose on MSSB or any of its affiliates any obligation to purchase or sell, or recommend for purchase or sale, for Client any Assets or other investments which such parties may recommend, purchase or sell, or recommend for purchase or sale, for its or their own account, or for the account of any other client.
- Please see the "Custody of Assets. Sweep Investments." section above for more information on conflicts of interest regarding Sweep Investments and Bank Deposit Program.
- Please see the "Special Considerations" section below for more information on conflicts of interests regarding Funds.

Please note that, unless Fund or money market fund assets are excluded from the calculation of the Market Value of the Account for purposes of calculating the Fee, the CCID does not receive any of the Bank Deposit Program revenue, fees from money market funds, sub-transfer agency fees or revenue sharing payments described in this Agreement. By signing this Agreement, Client acknowledges these potential conflicts of interest and consents to the use of the Bank Deposit Program, the money market funds or the Funds as investment vehicles for the Account, to the extent permitted by law and subject to the Rules Matrix; and to the resulting payment of additional compensation to MSSB and/or its affiliates.

**10. LIMITS OF RESPONSIBILITY.** Client understands and agrees that all transactions shall be at Client's risk, that MSSB is not guaranteeing, or otherwise making representations with respect to, the performance of the Account.

Client further agrees that MSSB and its affiliates, employees, and agents shall not be liable to Client for any act done or omitted by MSSB or its affiliates, employees or agents with respect to the Account, except for losses that directly result from an act or omission constituting a violation of law or gross negligence, willful misconduct or recklessness with regard of MSSB's obligations under this Agreement. Subject to the foregoing, Client further agrees that MSSB shall not be liable for any act done or omitted on the part of any third party.

Client shall indemnify MSSB and hold MSSB harmless from any claim that Client did not have the authority to enter into under this Agreement. Client shall also indemnify MSSB and hold MSSB harmless from any claim that a transaction was unauthorized if it was affected pursuant to instructions given by any authorized individual, and if it

was affected in accordance with the information Client provided MSSB about Client's financial situation, investment objectives, policies, restrictions or other guidelines applicable to the Account.

MSSB shall not be responsible for any misstatement or omission or for any loss attributable to such misstatement or omission contained in any Fund prospectus, fact sheet or any other disclosure document provided to MSSB for distribution to clients. Client understands that the use of performance benchmarks in client reports or profiles is intended only for reference purposes, and MSSB shall not be liable to Client or to any third party for selecting any particular benchmark or for failing to meet or outperform any benchmark.

MSSB shall not be liable for any losses caused, directly or indirectly, by conditions beyond MSSB's control, including, but not limited to, government restrictions, exchange controls, exchange market rulings, suspension of trading, act of war, strikes, natural disasters, communications disruptions, or extreme market volatility or trading volumes.

Nothing in this Agreement shall serve as a waiver or limitation of any rights that Client may have under the Investment Advisers Act of 1940, ERISA (as defined in Section 8) or any federal or state securities laws except to the extent lawfully modified in this Agreement. Nothing in this Agreement shall serve as a condition that limits or contradicts the rules of any self-regulatory organization or limits the ability of any party to this Agreement to file any claim in arbitration or limits the ability of arbitrators to make any award.

**11. DURATION AND TERMINATION OF AGREEMENT.** For the purposes of this Agreement, (i) the date of this Agreement shall be date of acceptance by MSSB, (ii) references to persons in the masculine gender shall include persons of the feminine gender and (iii) references in the singular shall, as and if appropriate, include the plural. All paragraph headings in this Agreement are for convenience of reference only, do not form part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument. Client understands that MSSB may choose not to accept this Agreement until such time as Client delivers the Assets and other investments that will comprise the Account into MSSB's custody. Client assets will remain in the form delivered prior to the acceptance of the contract by MSSB. Collection and processing of the required documentation may delay the acceptance of the contract.

This Agreement may be terminated at any time upon written notice by either party to the other, and termination will become effective upon receipt of such notice. If the Agreement is terminated by either party, the Account Holder will be entitled to a pro rata refund of any prepaid Fees based on the number of days remaining in the billing quarter after the date upon which notice of termination is received by MSSB or is provided by MSSB to you. Such termination will not, however, affect the liabilities or obligations of the parties incurred, or arising from transactions initiated, under this Agreement prior to such termination, including the provisions regarding arbitration, which shall survive any expiration or termination of this Agreement.

Upon termination, we will continue to hold securities and funds in the Account and you will continue to have a brokerage account at MSSB unless you instruct us otherwise. We shall be under no obligation to liquidate the securities or other investments owned by the Client, but, where applicable, shall deliver the securities or other investments as directed by the Client in writing. If you choose to liquidate your holdings, proceeds will be payable to the Account Holder upon settlement of all transactions in the Account. Once this Agreement has been terminated, the terms and conditions of your brokerage documentation will apply (e.g., transactions in the Account will be processed at prevailing brokerage rates). You understand that, upon termination, it is your responsibility to monitor the assets previously held in the Account, and that we will no longer have any further obligation to act or give advice with respect to those assets. MSSB retains the right, however, to complete any transactions open as of the termination date and to retain amounts in the Account sufficient to effect such completion.

This Agreement shall not be assignable (within the meaning of the Investment Advisers Act of 1940, as amended) by MSSB without the consent of Client.

**12. SPECIAL CONSIDERATIONS.** Investing in Funds may be more expensive than other investment options in your Account. In addition to the Fee, you will pay the fees and expenses of the Funds in which your Account is invested. Fund fees and expenses are charged directly to the pool of assets the Fund invests in and are reflected in each Fund's share price. You understand that these fees and expenses are an additional cost to you and will not be included in the Fee amount in your Account statements. You will not pay any sales charges for purchases of Fund shares. However, some Funds may charge, and not waive, a redemption fee on certain transaction activity in accordance with their prospectuses.

Each Fund's expense ratio (the total annual amount of fees and expenses charged by a Fund) is set forth in its prospectus. The expense ratio generally reflects the costs incurred by shareholders during the Fund's most recent fiscal reporting period. Current and future expenses may differ from those stated in the prospectus.

For clients other than Plan Clients (as defined in Section 8 above), MSSB receives payments and fees for recordkeeping and related services. Please see Item 4.C of the MSSB ADV Brochure for this program or contact your Financial Advisor for a more detailed description of such payments.

We have a conflict of interest in offering these Funds as Account Investments because (as outlined above) we will earn more money in your non-Plan Account from your investments in Funds than other Account Investments. This compensation to us will not be shared with your Financial Advisor. Furthermore, affiliates of MSSB serve as the investment advisor or other service provider for certain Funds offered in the Program and earn investment management fees for providing investment advisory services to such Funds (or earn other fees for providing other services). As a result, we have a potential conflict of interest in recommending these Funds over others.

*The rates and terms and conditions of these arrangements can be changed at any time. For more information, please refer to the applicable MSSB ADV Brochure which is available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) or to the document "Mutual Fund Share Classes and Compensation", which is available at [http://www2.morganstanley.com/wealth/investmentsolutions/pdfs/MF\\_share\\_classes.pdf](http://www2.morganstanley.com/wealth/investmentsolutions/pdfs/MF_share_classes.pdf). These documents are also available from your Financial Advisor upon request.*

If MSSB is the custodian, you authorize MSSB (without notice to you) to convert shares of any open-end mutual fund in your Account to a share class of the same fund which is a load-waived or no-load share class such as an Institutional share or Financial Intermediary share, or to a share class that is available only to investment advisory clients (collectively, an "Investment Advisory Share"), to the extent available, and MSSB will make a reasonable effort to convert any open-end mutual fund in an account to an Advisory Share Class promptly. If the open-end mutual fund in the account is subject to a share class conversion to the Advisory Share Class, you acknowledge that applicable advisory account fees will be applied to the mutual fund assets once it is converted to the Advisory Share Class. Upon termination of this Agreement for any reason or the transfer of mutual fund shares out of the Account into another account including a MSSB retail brokerage account, you hereby authorize MSSB to convert any Investment Advisory Shares to the corresponding mutual fund's appropriate non-Investment Advisory Share class, or to redeem the Investment Advisory Shares. You acknowledge that the appropriate non-Investment Advisory Share class generally has higher operating expenses than the corresponding Investment Advisory Share class, which may negatively impact investment performance.

**13. GOVERNING LAW.** The provisions of this Agreement shall be continuous and shall inure to the benefit of MSSB's present organization, and any successor organization or assigns. Should any term or provision of this Agreement be deemed or held to be invalid or unenforceable, the remaining terms and provisions shall continue in full force and effect. This Agreement and all the terms herein shall be governed and construed in accordance with the laws of the State of New York without giving effect to principles of conflict of laws.

**14. ENTIRE AGREEMENT.** Client has executed a Morgan Stanley Smith Barney brokerage account client agreement (the "Client Agreement") and corporate resolutions ("Corporate Resolutions") with MSSB. This Agreement, the Corporate Resolutions and the Client Agreement (including the arbitration provisions contained therein) will govern the Account and together represent the entire agreement between the parties with regard to the services described. This Agreement, the Corporate Resolutions and the Client Agreement supersede all previous agreements and understandings between the parties hereto with respect to the subject matter hereof.

**15. MISCELLANEOUS.** Client understands that MSSB will provide Client, at or prior to MSSB's delivery of this Agreement in executed form, with MSSB's ADV Brochure. MSSB and certain of its affiliates have prepared privacy notices ("Privacy Notices") as required by applicable laws and regulations. Client also understands that MSSB or an affiliate will provide Client, at or prior to delivery of this Agreement in executed form, with the MSSB Privacy Notice and any applicable Privacy Notice for an affiliate. MSSB represents that it is registered as an investment adviser under the Investment Advisers Act of 1940, as amended.

**16. NOTICES.** All notices under this Agreement must be given in writing and sent or delivered to Morgan Stanley Smith Barney at 2000 Westchester Ave., Purchase, NY 10577 Attn: Portfolio Management Group. The addresses may be changed at any time by the respective party by oral or written notice. Except as otherwise provided

in this Agreement, notice shall be deemed to have been duly given when hand-delivered, transmitted by facsimile, by overnight courier, or three days after delivery to the United States mail (first class, postage pre-paid).

**17. AMENDMENTS.** MSSB may amend this Agreement by modifying or rescinding any of its existing provisions or by adding new provisions. Any such amendment shall be effective after MSSB notifies the Client in writing of any change or as of such later date as MSSB may establish. All other amendments must be in writing and signed by MSSB.

**18. PROXIES AND WAIVERS.** If MSSB is the custodian for the Account, you may (i) authorize us to receive the proxy-related materials, annual reports and other issuer-related materials for securities in the Account and (ii) delegate to us the proxy voting rights for these securities (and, thereby, authorize us to further delegate these proxy voting rights to, or otherwise use services provided by, a third party proxy voting or advisory service). If you do so and you are a Plan, as defined above, you hereby designate MSSB as a "named fiduciary" (within the meaning of ERISA) with the authority to appoint and delegate a third party proxy voting service satisfactory to MSSB as "investment manager" (within the meaning of ERISA) for the limited purpose of voting proxies with respect to issuers of securities held in the Account. Notwithstanding the above, you are responsible for taking action on any legal actions or administrative proceedings, including class actions and bankruptcies, affecting securities in your Account and we will forward you related materials we receive. You can revoke your authorization and delegation later by giving us written notice in accordance with this Agreement.

Alternatively, you may expressly reserve the right for you (or another person you specify to us) to receive the issuer-related materials and exercise the proxy voting rights for securities in your Account.

If MSSB is not the custodian for the Account, you expressly retain the authority and responsibility with respect to voting proxies for the Account or will delegate discretion with respect to voting such proxies to a third party.

#### **19. ARBITRATION DISCLOSURES**

**This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:**

**All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**

**Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**

**The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**

**The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.**

**The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.**

**The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.**

**The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class action who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.**

#### **Arbitration of Controversies:**

**You agree that all claims or controversies, whether such claims or controversies arose prior, on or subsequent to the date hereof, between you and MSSB and/or any of its present or former officers, directors, or employees concerning or arising from (i) any account maintained by you with MSSB individually or jointly with others in any capacity; (ii) any transaction involving MSSB or any predecessor or successor firms by merger, acquisition or other business combination and you, whether or not such transaction occurred in such account or accounts; or (iii) the construction, performance or breach of**

this or any other agreement between you and us, any duty arising from the business of MSSB or otherwise, shall be determined by arbitration before, and only before, any self-regulatory organization or exchange of which MSSB is a member. You may elect which of these arbitration forums shall hear the matter by sending a registered letter or other written communication addressed to Morgan Stanley Smith Barney, Attn: Legal Department, 1633 Broadway, 26<sup>th</sup> floor, New York, NY 10019. If you fail to make such election before the expiration of five days after receipt of a written request from MSSB to make such election, MSSB shall have the right to choose the forum.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) the person is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

The statute of limitations applicable to any claim, whether brought in arbitration or in a court of competent jurisdiction shall be that which would be applied by the courts in the state in which you reside or if you do not reside in the United States, the statute of limitations shall be that which would be applied by the courts in the state where the MSSB office servicing your Account is located.

- (ii) The entity does not hold itself out as an entity that raises funds from investors primarily for the purposes of investing in securities; and
- (iii) You affirm the entity is not
  - a. a hedge fund;
  - b. a private equity fund;
  - c. a venture capital fund;
  - d. a commodity pool that has a commodity pool operator registered with the Commodity Futures Trading Commission; or
  - e. a similar investment vehicle that would be considered a "covered fund" under the Volcker Rule law and regulations.<sup>1</sup>

Please note that non-US entities with all non-US owners are exempt from the definition of a "covered fund."

If any of these statements is not accurate (or will no longer apply at any time in the future), please contact your Financial Advisor or Private Wealth Advisor at your earliest convenience.

**20. ELECTRONIC DELIVERY AND CLIENT ELECTIONS**

<b>PROXIES</b>
<p>If we are the Custodian on this Account, do you authorize us to receive proxy-related materials, annual reports and other issuer-related materials for securities in the Account and delegate to us the proxy voting rights for these securities as described in the "Proxies and Related Materials" section above?</p> <p>Yes: <input type="checkbox"/>      No: <input type="checkbox"/></p>

<b>TRADE CONFIRMATIONS</b>
<p>To the extent permitted by law, do you want to receive confirmation of transactions on or with your monthly statement instead of individual trade confirmations following each transaction? You will not pay a different fee if you select this option. Selecting this option is not a condition to entering into (or continuing to participate in) the Program.</p> <p>You may choose to receive from us, at no additional cost, trade confirmations for any period in which you elected not to receive individual trade confirmations. You can also revoke your authorization at any time by giving us written notice in accordance with this Agreement.</p> <p>Yes: <input type="checkbox"/>      No: <input type="checkbox"/></p>

**VOLCKER RULE ATTESTATION (For Entity Clients Only)**

Beginning on July 21, 2015, the law and related regulations known as the "Volcker Rule" went into effect. As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Volcker Rule focuses on the relationships between financial institutions, like Morgan Stanley, and entities called "covered funds," which include private equity funds and hedge funds as well as other types of similar investment vehicles.

By signing below on behalf of the entity client listed below, you are confirming that the entity is not a covered fund because:

- (i) The entity is not an issuer of securities;

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<sup>1</sup> A "covered fund" includes an issuer that would be an "investment company" under the Investment Company Act of 1940 (the "1940 Act") but for section 3(c)(1) or 3(c)(7) of the 1940 Act.

**YOUR CONSENT TO ELECTRONIC DELIVERY OF THE MSSB ADV BROCHURE, BROCHURE SUPPLEMENTS, PRIVACY NOTICE AND OTHER DOCUMENTS**

**Electronic Delivery:** By signing this Agreement, you authorize us to deliver any type of document relating to your existing and future investment advisory accounts and relationships with MSSB (including this Agreement and MSSB's ADV Brochure, Brochure Supplements and Privacy Notice), instead of paper copies, either by email to an email address you give us, by giving you a CD-ROM to read on a computer, or by referring you to a website. Your consent to electronic delivery in the previous sentence does not apply to delivery of documents such as account statements, trade confirmations and tax documents (such as 1099 forms). If you would like to have these documents delivered electronically, please visit [www.morganstanley.com/online/edelivery](http://www.morganstanley.com/online/edelivery) or contact your Financial Advisor.

**Website Address:** MSSB's ADV Brochure, Brochure Supplements and Privacy Notice are available now at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV). Please review them.

**Your Computer Access:** You acknowledge that you have access to a computer which can access these documents (including PDF software, available free of charge at Adobe's website [www.adobe.com](http://www.adobe.com), and a CD-ROM drive), and that you may incur costs accessing or printing the documents (e.g. online provider fees and printing costs). We are not liable for these costs or any computer problems (including viruses) you incur in accessing the documents.

**How to get paper copies:** This consent remains in place until you give written notice to your Financial Advisor that you are revoking it. You may also, without revoking this consent, ask your Financial Advisor for a paper copy of any document that we deliver electronically under this consent.

**Other document deliveries:** Sometimes we may deliver paper copies of documents relating to an account. Also, some documents that we can deliver electronically are not covered by this consent and have separate procedures for enrollment and unenrollment in electronic delivery and for obtaining paper copies.

**WAIVER OF THE "SWEEP" TRANSACTIONS.** By signing below, Client acknowledges that, while temporary "sweep" transactions of uninvested cash balances are available in the Account, Client authorizes MSSB to use reasonable efforts to invest free cash balances in affiliated or unaffiliated money market funds offered outside of the Sweep Investments. Client acknowledges that (1) it will not earn interest on free cash balances awaiting investment, (2) such free cash balances will be included in the calculation of the Fee, (3) MSSB may earn interest on these free cash balances, and (4) it may take some time from the date the Account is opened before the automatic sweep feature is removed from the Account, and during this time funds in the Account may be "swept" as described in this Agreement.

**Remove the automatic sweep feature from the Account.**

Client's

Signature \_\_\_\_\_

**Market Value:**

**Annual MSSB Fee to Client**

On all assets .10%

For purposes of calculating the Fee, the term "Market Value" refers to the value of all assets, including Money Market Funds.

BY SIGNING THIS AGREEMENT, THE UNDERSIGNED CLIENT ACKNOWLEDGES THAT (A) THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE IN SECTION 19 ON PAGES 6 AND 7 UNDER WHICH THE CLIENT AGREES TO ARBITRATE ANY DISPUTES WITH US, (B) CLIENT HAS RECEIVED A COPY OF THE AGREEMENT; AND (C) CLIENT'S ELECTRONIC DELIVERY AND TRADE CONFIRMATION ELECTIONS ARE SET FORTH ABOVE.

Account Number	Signature	Account Name	Capacity	Date
1.				
2.				
3.	(if different)	(If different)		
4.				
5.				
6.				
7.				
8.				
9.				
10.				

Accepted by Morgan Stanley Smith Barney LLC. By _____ Date _____
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<p>FOR INTERNAL USE ONLY: BRANCH MANAGEMENT'S ATTESTATION FOR WRAP FEE ACCOUNTS</p> <p>I certify that I have reviewed the activity for a period of 30 days in the above Account(s) and any related accounts and have satisfied myself th at (i) no commission charges, including markdowns, have been charged to the Client(s) for liquidations where the proceeds were transferred into a wrap fee managed program and (ii) no commissions, including markups, have been charged for purchases when the issue was transferred into a wrap fee managed account program.</p> <p>Where charges have occurred in any of the above situations, I have credited Client's Account accordingly.</p> <p>Branch Management (Print Name): _____</p> <p>Signature of BranchManagement: _____ Date _____</p>
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