

# Statement of Morgan Stanley Smith Barney LLC and Morgan Stanley & Co. LLC Responsibilities

## **Morgan Stanley Smith Barney LLC (“Morgan Stanley Smith Barney”) is responsible for:**

- Approving, opening, and monitoring your account(s), including obtaining, verifying, and retaining your account information and documents, accepting your account(s), and monitoring trading and other activity in your account(s).
- Providing investment advice to investment advisory clients of Morgan Stanley Smith Barney.
- Determining whether any investment advice or recommendation given to you by your Financial Advisor/Investment Representative is suitable for you, and whether persons placing instructions for your account are authorized to do so. Morgan Stanley will not give you advice about your investments in your Morgan Stanley Smith Barney account(s) and will not evaluate the suitability of investments made by you, your Financial Advisor/Investment Representative, or any other party for your Morgan Stanley Smith Barney account(s).
- Accepting orders and other instructions from you regarding your account, and promptly and accurately transmitting those orders and instructions to Morgan Stanley. Morgan Stanley will not accept orders or instructions directly from you. Morgan Stanley Smith Barney may send orders for the purchase or sale of securities on your behalf to Morgan Stanley for execution, or Morgan Stanley Smith Barney may execute the Transaction and instruct Morgan Stanley to post the transaction to your account.
- Operating in compliance with all applicable laws, rules and regulations relating to its own operations and securities activities, the supervision of its sales representatives and other personnel, and the supervision of transactions and other activity in your account.
- Initially receiving funds and securities for your account, in accordance with your instructions, for prompt transfer to Morgan Stanley.
- Offering margin accounts to Morgan Stanley Smith Barney customers and setting margin requirements for Morgan Stanley Smith Barney accounts consistent with any requirements established by Morgan Stanley. Morgan Stanley Smith Barney is responsible for informing you of credit requirements of your account and how to comply with them. Morgan Stanley Smith Barney regularly receives from Morgan Stanley information on the status of margin accounts and notice of changes in Morgan Stanley house rules. You and Morgan Stanley Smith Barney are responsible for ensuring that any extension of credit for which you apply or that you accept is suitable or appropriate for you, and that your margin accounts are at all times funded in compliance with Regulation T of the Federal Reserve Board, the rules of the New York Stock Exchange, Inc., and other applicable self-regulatory organizations and the house rules of Morgan Stanley.
- Investigating and responding to any questions or complaints you have about your account(s), confirmations, your periodic statement, or any other matter related to your account(s). Morgan Stanley Smith Barney will notify Morgan Stanley with respect to matters involving services performed by Morgan Stanley.
- Maintaining the required books and records with respect to the functions it performs.

## **Morgan Stanley & Co. LLC (“Morgan Stanley”) is responsible for:**

- Executing, clearing, and settling securities transactions.
- Preparing and sending to you periodic statements of your account as well as confirmations of the transactions in your account(s). Certain of the information on your statements, such as prices and descriptions of securities are obtained from third parties. For more specific pricing information, and prior to placing orders, Morgan Stanley suggests that you contact Morgan Stanley Smith Barney. In some cases, Morgan Stanley Smith Barney may instruct Morgan Stanley to post transaction or other information to your account. Morgan Stanley does not

independently verify such information. Morgan Stanley provides to Morgan Stanley Smith Barney copies of each confirmation and statement sent to you.

- Custody (or safekeeping) of funds and securities delivered to Morgan Stanley on your behalf or received by Morgan Stanley in connection with transactions in your account(s). Morgan Stanley is responsible for the handling of funds and securities which it holds or receives on your behalf in accordance with the instructions given by Morgan Stanley Smith Barney.
- Receiving and delivering funds and securities for your account in accordance with Morgan Stanley Smith Barney instructions. Morgan Stanley is not responsible for any funds or securities which are not actually delivered to it, or for any funds withdrawn from your account(s) by Morgan Stanley Smith Barney or its employees.
- Extending credit to you in connection with buying or maintaining securities in your account(s). Morgan Stanley will not determine whether any extension of credit for which you apply or accept is suitable or appropriate for you. As described above, you and Morgan Stanley Smith Barney are responsible for ensuring that your credit accounts are at all times funded in compliance with Regulation T of the Federal Reserve Board, the rules of the New York Stock Exchange, Inc., and other applicable self-regulatory organizations and the house rules of Morgan Stanley. These rules are exclusively for the protection of Morgan Stanley, and to the extent permitted by law, Morgan Stanley will not be liable to you for any failure by Morgan Stanley to comply with these rules. Morgan Stanley has the right to take market action in your account if it does not meet the credit requirements. Morgan Stanley Smith Barney regularly receives from Morgan Stanley information on the status of credit accounts and notice of changes in Morgan Stanley house rules.
- Maintaining the required books and records with respect to the functions it performs.