

#BWNJGWM

BOBBY BOENIGK CUST FOR  
RACHEL E BOENIGK UTMA/TX  
UNTIL AGE 21  
4104 LAKE LAND  
COLLEGE STA TX 77845-9655

**Your Branch**

101 CALIFORNIA ST. 3RD FL.  
SAN FRANCISCO, CA 94111  
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Alt. Phone: 800-347-3488  
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**Client Interaction Center**

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

**Access your accounts online**

[www.morganstanley.com/online](http://www.morganstanley.com/online)

TOTAL VALUE LAST PERIOD (as of 7/31/12)	\$13,616.04
NET CONTRIBUTIONS/WITHDRAWALS	—
CHANGE IN VALUE	156.28
<b>TOTAL VALUE OF YOUR ACCOUNT</b> (as of 8/31/12) (Total Values include accrued interest)	<b>\$13,772.32</b>

**Your Financial Advisor Team**

SCHWABACHER/GATES  
415-693-6000

## Account Summary

Active Assets Account  
101-112285-434

BOBBY BOENIGK CUST FOR  
RACHEL E BOENIGK UTMA/TX

### Brokerage Account

Householding Anniversary Date: 3/10/09

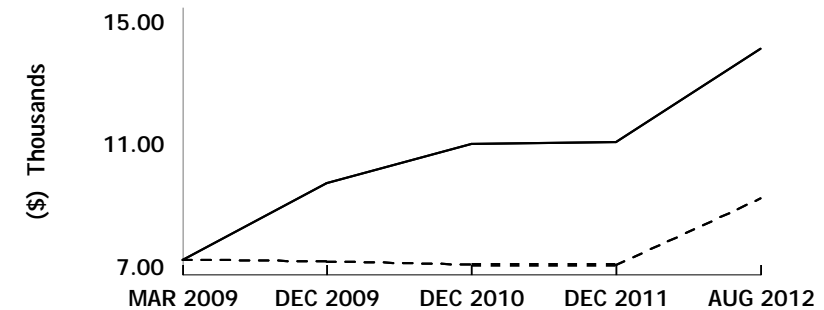
Investment Objectives<sup>†</sup>: Capital Appreciation, Aggressive Income

### CHANGE IN VALUE OF YOUR ACCOUNT

	This Period (8/1/12-8/31/12)	This Year (1/1/12-8/31/12)
<b>Total Beginning Value</b> (includes accrued interest)	<b>\$13,616.04</b>	<b>\$10,979.19</b>
Contributions	—	2,088.87
Withdrawals	—	(100.00)
Security Transfers	—	—
Net Contributions/Withdrawals	—	<b>\$1,988.87</b>
Change in Value	<b>156.28</b>	<b>804.26</b>
<b>Total Ending Value</b> (includes accrued interest)	<b>\$13,772.32</b>	<b>\$13,772.32</b>

### CHANGE IN VALUE OVER TIME

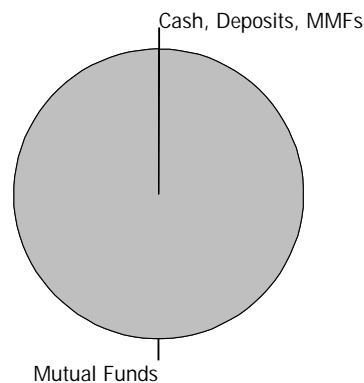
This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



— Total Market Value    - - - Net Invested Capital Since 03/31/09

This exhibit may not include transactions for investments in Annuities or where Morgan Stanley Smith Barney is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. † See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.

### ALLOCATION OF HOLDINGS



	Market Value	Percentage %
Cash, Deposits, MMFs*	\$13.99	0.1
Mutual Funds	13,758.33	99.9
<b>TOTAL VALUE</b>	<b>\$13,772.32</b>	<b>100.0%</b>

This allocation represents holdings on a trade date basis, and projected settled Cash/Deposits/MMF balances. We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, this asset classification may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. \* Bank Deposits are eligible for FDIC insurance; FDIC rules apply and deposits are not SIPC insured. Cash and securities (including Money Market Funds) are eligible for SIPC coverage. Please see disclosures at end of the statement(s).

## Account Summary

Active Assets Account  
101-112285-434

BOBBY BOENIGK CUST FOR  
RACHEL E BOENIGK UTMA/TX

### BALANCE SHEET

	Last Period (as of 7/31/12)	This Period (as of 8/31/12)
<b>TOTAL VALUE</b> (incl. accr. int.)	<b>\$13,616.04</b>	<b>\$13,772.32</b>
<b>ASSETS</b>	<b>\$13,616.04</b>	<b>\$13,772.32</b>
Cash, Deposits, Money Market Funds	1,988.97	13.99
Mutual Funds	11,627.07	13,758.33

### **LIABILITIES** (Outstanding Balance)

*There are no liabilities for this account.*

### CASH FLOW

	This Period (8/1/12-8/31/12)	This Year (1/1/12-8/31/12)
<b>OPENING CASH, DEPOSITS, MMFs</b>	<b>\$1,988.97</b>	<b>—</b>
<b>INVESTMENT RELATED ACTIVITY</b>	<b>\$(1,974.98)</b>	<b>\$(1,974.88)</b>
Purchases	(1,975.00)	(1,975.00)
Dividend Reinvestments	(6.36)	(369.05)
Income	6.38	369.17
<b>CASH RELATED ACTIVITY</b>	<b>—</b>	<b>\$1,988.87</b>
Checks Deposited	—	2,088.87
Other Debits	—	(100.00)
<b>DEBIT CARD/CHECK ACTIVITY</b>	<b>—</b>	<b>—</b>
Debit Card	—	—
ATM/Cash Advances	—	—
Checks Written	—	—
Automated Payments	—	—
<b>CLOSING CASH, DEPOSITS, MMFs</b>	<b>\$13.99</b>	<b>\$13.99</b>

## Account Summary

Active Assets Account  
101-112285-434

BOBBY BOENIGK CUST FOR  
RACHEL E BOENIGK UTMA/TX

### INCOME SUMMARY

	This Period (8/1/12-8/31/12)	This Year (1/1/12-8/31/12)
<b>TOTAL INCOME</b>	<b>\$6.38</b>	<b>\$369.17</b>
<b>TAXABLE INCOME</b>	<b>6.38</b>	<b>369.17</b>
Qualified Dividends	—	—
Other Dividends	6.36	52.09
Long Term Capital Gains Distributions	—	316.96
Interest	0.02	0.12
Other Income	—	—
<b>TAX-EXEMPT INCOME</b>	<b>—</b>	<b>—</b>
Dividends	—	—
Interest	—	—
Other Income	—	—

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

### GAIN/(LOSS) SUMMARY

This Period (8/1/12-8/31/12)	Short-Term	Long-Term
<b>NET REALIZED</b>	<b>—</b>	<b>—</b>
Gain	—	—
(Loss)	—	—
<b>NET UNREALIZED (8/31/12)</b>	<b>\$4.19</b>	<b>\$2,389.83</b>
Gain	6.96	2,389.83
(Loss)	(2.77)	—
<b>This Year (1/1/12-8/31/12)</b>	<b>Short-Term</b>	<b>Long-Term</b>
<b>NET REALIZED</b>	<b>—</b>	<b>—</b>
Gain	—	—
(Loss)	—	—

*Gain/(Loss) and income information are provided for informational purposes only and should not be used for tax preparation. Gain/(Loss) summary information may change due to basis adjustments.*

*Please refer to the Gain/(Loss) section of the disclosures for additional information.*

## Holdings

Active Assets Account  
101-112285-434

BOBBY BOENIGK CUST FOR  
RACHEL E BOENIGK UTMA/TX

This section reflects the impact of positions purchased/sold on a trade date basis, and will include positions purchased and omit positions sold in the current month. Please see the "Unsettled Purchases/Sales Activity" section for more information.

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the statement period indicated, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement. Fixed Income securities are sorted by maturity or pre-refunding date, and alphabetically within date.

Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.

Structured products appear in various statement product categories and are identified as "Structured Products" in the Security Description column. Estimated accrued interest, estimated annual income and estimated yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) assume specified accrual conditions are met during the relevant observation period and payment in full of all contingent interest. If you hold structured products, please see "Special Considerations Regarding Structured Products" in the Disclosure section.

New Treasury regulations require that we report on Form 1099-B after the close of the tax year your adjusted cost basis and classify the gain or loss as either long-term or short-term on the sale of covered securities acquired on or after January 1, 2011. These regulations also require that we make basis adjustments due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. Cost basis is reflected on monthly statements for informational purposes only and should not be used in the preparation of your income tax returns. Please refer to the Disclosures section of this statement for additional information.

## CASH, DEPOSITS AND MONEY MARKET FUNDS

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

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
MORGAN STANLEY BANK N.A. #	\$13.99	—	—	0.010
	Percentage of Assets %	Market Value	Estimated Annual Income	Accrued Interest
CASH, DEPOSITS AND MONEY MARKET FUNDS	0.1%	\$13.99	\$0.00	\$0.00

# Bank Deposits are at Morgan Stanley Bank, N.A., Morgan Stanley Private Bank, National Association, or Citibank, N.A. (Members FDIC), affiliates of Morgan Stanley Smith Barney.

## MUTUAL FUNDS

### OTHER MUTUAL FUNDS

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

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

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

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AMERICAN BD FD OF AMERICA C (BFACX)	4/3/09	300.171	\$10.540	\$3,163.80	\$3,884.20	\$720.40 LT		
	Purchases	300.171		3,163.80	3,884.20	720.40 LT		
Long Term Reinvestments		23.046		274.84	298.21	23.37 LT		

CONTINUED

CLIENT STATEMENT | For the Period August 1-31, 2012

## Holdings

Active Assets Account  
101-112285-434

BOBBY BOENIGK CUST FOR  
RACHEL E BOENIGK UTMA/TX

## MUTUAL FUNDS

## OTHER MUTUAL FUNDS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Short Term Reinvestments		7.220		91.29	93.42	2.13 ST		
<b>Total</b>		330.437		3,529.93	<b>4,275.85</b>	743.77 LT 2.13 ST	72.00	1.68
Total Purchases vs Market Value				3,163.80	4,275.85			
Net Value Increase/(Decrease)					1,112.05			
<i>Share Price: \$12.940; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest</i>								
<b>COLUMBIA MARSICO FOCUS EQI C (NFE CX)</b>	4/3/09	209.372	13.340	2,793.02	4,279.56	1,486.54 LT		
<b>Purchases</b>		209.372		2,793.02	<b>4,279.56</b>	1,486.54 LT		
Long Term Reinvestments		0.073		1.05	1.49	0.44 LT		
Short Term Reinvestments		18.709		381.49	382.41	0.92 ST		
<b>Total</b>		228.154		3,175.56	<b>4,663.47</b>	1,486.98 LT 0.92 ST	—	—
Total Purchases vs Market Value				2,793.02	4,663.47			
Net Value Increase/(Decrease)					1,870.45			
<i>Share Price: \$20.440; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest</i>								
<b>FIRST EAGLE GLOBAL C (FESGX)</b>	3/31/09	58.000	44.724	2,594.00	2,748.04	154.04 LT 2		
<b>Purchases</b>		58.000		2,594.00	<b>2,748.04</b>	154.04 LT		
Long Term Reinvestments		0.987		41.72	46.76	5.04 LT		
Short Term Reinvestments		1.097		48.07	51.98	3.91 ST		
<b>Total</b>		60.084		2,683.79	<b>2,846.78</b>	159.08 LT 3.91 ST	12.00	0.42
Total Purchases vs Market Value				2,594.00	2,846.78			
Net Value Increase/(Decrease)					252.78			
<i>Share Price: \$47.380; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest</i>								
<b>NUVEEN DIVIDEND VALUE C (FECX)</b>	8/28/12	138.402	14.270	1,975.00	<b>1,972.23</b>	(2.77) ST	28.00	1.41
<i>Share Price: \$14.250; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest</i>								
		<b>Percentage of Assets %</b>		<b>Total Cost</b>	<b>Market Value</b>	<b>Unrealized Gain/(Loss)</b>	<b>Estimated Annual Income Accrued Interest</b>	<b>Yield %</b>
MUTUAL FUNDS		<b>99.9%</b>		<b>\$11,364.28</b>	<b>\$13,758.33</b>	<b>\$2,389.83 LT \$4.19 ST</b>	<b>\$112.00 \$0.00</b>	<b>0.81%</b>

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

Holdings

Active Assets Account  
101-112285-434

BOBBY BOENIGK CUST FOR  
RACHEL E BOENIGK UTMA/TX

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
TOTAL MARKET VALUE	100.0%	\$11,364.28	\$13,772.32	\$2,389.83 LT \$4.19 ST	\$112.00 \$0.00	0.81%
TOTAL VALUE (includes accrued interest)			\$13,772.32			

2 - You, or a third party, have provided the transaction details for this position.

CLIENT STATEMENT | For the Period August 1-31, 2012

## Activity

Active Assets Account  
101-112285-434

BOBBY BOENIGK CUST FOR  
RACHEL E BOENIGK UTMA/TX

## CASH FLOW ACTIVITY BY DATE

Transaction Settlement		Activity Type	Description	Comments	Quantity	Price	Credits/(Debits)
Date	Date						
8/27	8/27	Dividend	AMERICAN BD FD OF AMERICA C DIV PAYMENT				\$6.36
8/27	8/27	Dividend Reinvestment	AMERICAN BD FD OF AMERICA C	REINVESTMENT	0.493	12.9000	(6.36)
8/28	8/31	Bought	NUVEEN DIVIDEND VALUE C	CONFIRM NBR	138.402	14.2700	(1,975.00)
8/30	8/30	Interest Income	MORGAN STANLEY BANK N.A. (Period 07/31-08/30)				0.02
NET CREDITS/(DEBITS)							\$(1,974.98)

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

## MONEY MARKET FUND (MMF) AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
8/30	Automatic Investment	BANK DEPOSIT PROGRAM	\$0.02
8/31	Automatic Redemption	BANK DEPOSIT PROGRAM	(1,975.00)
NET ACTIVITY FOR PERIOD			\$(1,974.98)



## Messages

Active Assets Account  
101-112285-434

BOBBY BOENIGK CUST FOR  
RACHEL E BOENIGK UTMA/TX

### Notice Regarding the Order Protection Rule

The following is being provided to you pursuant to FINRA Rule 5320, the Order Protection Rule, a copy of which can be obtained at [www.finra.org/](http://www.finra.org/).

Consistent with our current practices and with the exceptions permitted under FINRA Rule 5320, we and our trade routing destinations may trade principally at prices that would satisfy your equity trading order through our and their use of internal controls, such as information barriers, that operate to prevent a trading unit that handles principal positions from obtaining knowledge of customer orders handled by a separate trading unit.

With respect to certain "Not Held" large orders (orders for more than 10,000 shares and \$100,000), the same internal controls may not be available. For these orders you may instruct us that you do not wish us or our routing destinations to trade principally along side your order. Such instruction will limit the range of execution alternatives that we are able to offer.

Additional information regarding the handling of your equity orders and our business practices in relation to the Order Protection Rule is available online at

[www.morganstanleyindividual.com/customerservice/disclosures/](http://www.morganstanleyindividual.com/customerservice/disclosures/).

## Disclosure

### Errors and Inquiries

If you do not understand an entry on your statement or suspect an error was made, it is essential that you immediately contact the manager of the office servicing your account. Oral communications regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). Except as provided in your account documentation, we will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand. Please see your account documentation for special rules regarding your rights and responsibilities with respect to erroneous electronic fund transfers, including a description of the transfers covered.

### Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

### Account Valuation

Account values are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and/or outside custodians, as applicable for other positions, and by adding any credit or subtracting any debit to your closing cash, money market funds and/or deposit balance. Cash, Deposits and Money Market Funds are displayed on a settlement date basis, and other positions are displayed in your account on a trade date basis. The value of fixed income positions in summary displays includes accrued interest in the totals. In the "Holdings" section, fixed income market value and accrued interest are also displayed in separate columns. Accrued interest is the interest earned but not yet paid on the bond since its last interest payment. In most cases, it is calculated from the date of the last coupon payment (or "dated date") through the closing date of the statement, based on information provided by the Issuer. Your closing cash, money market fund and/or deposit balance reflects the net month end balance for these positions. Global Currency deposits are reflected in US Dollars as of the statement end date. The

Annual Percentage Yield (APY) for deposits represents the applicable rate in effect for your deposits at the statement ending date. The month-end APY may be different than that which was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to

<http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures>

### Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA.

You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. You should check with your tax advisor to verify how much you can contribute and whether or not the contribution will be tax deductible.

The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice.

The account value used for your RMD calculation is based on your account's prior December 31st Account Value including accrued but unpaid interest.

### Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC [17 CFR §240.15c3-2 & -3], Morgan Stanley Smith Barney LLC may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We provide summary Morgan Stanley Smith Barney LLC and Morgan Stanley & Co. LLC financial statements to you semiannually; copies are also available on request, by mail.

### Certain Assets Not Held At Morgan Stanley Smith Barney LLC

You may purchase certain assets through us that may be held at a financial institution other than Morgan Stanley Smith Barney LLC. Assets not held at Morgan Stanley Smith Barney LLC may not be covered by SIPC protection. We may include information about these

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

### Gain/(Loss) Information

Gain/(Loss) is provided for informational purposes only. It is not a substitute for Internal Revenue Service (IRS) Form 1099 or any other IRS tax form. It is not intended to be used and should not be used for tax preparation, and Unrealized Gain/(Loss) values are estimates and should be independently verified. We recommend that you contact your legal or tax advisor to determine the appropriate use of this information.

Gain/(Loss) is calculated based upon generally accepted methodologies. The calculations do not account for each individual client's particular circumstances. Morgan Stanley Smith Barney may not adjust cost basis for all events that you are required to take into account for tax reporting purposes and you may need to make additional adjustments to properly complete your tax returns.

For accounts with Choice Select pricing, the commissions paid on your eligible equity and option purchases and sales are applied to the Total Cost on a monthly basis.

With respect to estimated Gains/(Loss) for listed equity options, we have taken into account option premiums paid or received. With respect to multiple purchases and/or sales, Gain/(Loss) is calculated using an average price for all like positions.

Unrealized and Realized Gain/(Loss) calculations may change due to adjustments to cost basis occurring after the date of this statement. We are not responsible for the accuracy of any Gain/(Loss) calculations based upon information provided by you or another financial institution. You are responsible for ensuring the accuracy of such information.

Morgan Stanley Smith Barney reports the sale of securities on a First-in First-out (FIFO) basis unless a client notifies us of the specific securities to be sold. Clients wishing to use specific identification when selling securities must provide that information to us at the time of the sale.

### Investment Objectives

CONTINUED

## Disclosure (CONTINUED)

For your reference, we have included below an explanation of the investment objective alternatives applicable to your account(s):  
Income - for investors seeking regular income with low to moderate risk to principal  
Capital Appreciation - for investors seeking capital appreciation with moderate to high risk to principal

Aggressive Income - for investors seeking higher returns either as growth or as income with greater risk to principal

Speculation - for investors seeking high profits or quick returns with considerable possibility of losing most or all of their investment

**Listed Options**  
Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request.

### Margin Interest Charges

Morgan Stanley Smith Barney calculates interest charges on margin loans as follows:

#### Margin Interest Charges

(1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance.

(2) Divide by 360 (days).  
Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. Morgan Stanley Smith Barney adds the accrued interest to your debit balance and starts a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, please go to

<http://www.morganstanleyclientserv.com>

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

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

### Important Information if you are a Margin Customer

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

receive compensation in connection therewith.

### Money Market Pricing

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

### Notice Regarding Investment Advisor Research

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

### Pricing of Securities

The prices of securities displayed on this statement are derived from various sources, and do not necessarily represent the prices at which those securities could have been bought or sold. Although we attempt to use reliable sources of information, we can offer no assurance as to its accuracy. For exchange traded securities, or those trading continually in an active marketplace, the price reflects the closing price as of the last business day of your statement period; and generally bid prices for securities that are neither exchange traded nor trading continually in an active marketplace. The prices of securities not actively traded may not be available, and are indicated by N/A (not available). The markets for some fixed income and preferred securities may not be liquid, and prices may be approximations or estimates. For these and for securities that trade less frequently, we rely on outside pricing services and / or computerized pricing models, which cannot always give us actual market values. Prices may be based on: recent transactions or bids, if available; independent quotation services that use computerized valuation formulae to calculate prices based on

institutional quantities; or estimates. Prices for non-institutional quantities of some fixed income securities are likely to be different than institutional prices. Some annuity values provided by outside sponsors are estimates. The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless we have obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values. Furthermore some securities, such as limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts shown on this statement may not equal the amounts you would receive if you sold or tendered your investment. The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to Morgan Stanley Smith Barney by the correspondent custodian. If we cannot obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information concerning the prices on your statements.

### Important Information About Auction Rate Securities

The following information applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you. Due to market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction, and are not an indication of any offer to purchase at such price. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement in most cases reflect par value, but may be derived from various sources. These prices may differ from: prices provided to us or our affiliates by outside pricing services; or our affiliates' own internal bookkeeping valuations; prices of transactions executed in any secondary market that exists or may develop; and/or the prices at which issuer repurchases or redemptions may occur. Please contact your Financial Advisor with any questions.

### TLGP Debt: Temporary Liquidity Guarantee Program Debt

Bonds issued under the FDIC's Temporary Liquidity Guarantee Program are backed by the full faith and credit of the United States through the earlier of the maturity date of the debt or June 30, 2012 for securities issued prior to April 1, 2009, and the earlier of the maturity date of the debt or December 31, 2012 for securities issued on or after April 1,

CONTINUED

## Disclosure (CONTINUED)

2009. For more information visit [www.fdic.gov/tlcp](http://www.fdic.gov/tlcp). The FDIC guarantee refers to the timely payment of interest and principal only. Guarantees do not eliminate market risk. Not all senior unsecured debt issued within the program time frame by eligible participants will qualify for the FDIC guarantee.

### Security Measures

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

### SIPC Protection

Securities and cash held in your Morgan Stanley Smith Barney account(s) are protected by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by Morgan Stanley Smith Barney (Excess of SIPC). SIPC protects up to \$500,000 of each client's securities, of which up to \$250,000 may be uninvested cash. SIPC and Excess of SIPC apply only to securities and cash in the exclusive possession and control of Morgan Stanley Smith Barney and do not protect against losses due to market fluctuations. Please be advised that you may obtain information about SIPC, including the SIPC Brochure, by contacting SIPC at 1-202-371-8300 or by visiting [www.sipc.org](http://www.sipc.org).

### Special Considerations Regarding Structured Products

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

consistent with the statement product category where they appear and therefore may not satisfy portfolio asset allocation needs for that category. Estimated accrued interest, estimated annual income and estimated yield for structured products with a contingent income feature, including Range Accrual Notes and Contingent Income Notes, assume optimal performance of the underlying asset(s) and payment in full of all contingent interest. However, contingent interest is only paid if the specified accrual conditions are met during the relevant observation period. Actual accrued interest, annual income and yield will be dependent upon the performance of the underlying asset(s) and may be significantly lower than the estimates shown. For more information about the risks specific to your Structured Products, you should contact your Financial Advisor.

### Tax Reporting

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

### Total Income (This Year/This Period)

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

### Transaction Dates and Transaction Conditions

All activity displays transaction date and settlement date. Securities transactions are included on this statement on a trade date basis

(excluding BDPs and MMFs). Trades that have not settled as of statement month end will also be displayed in the "Unsettled Purchase/Sales Activity" section.

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