

THE VECTOR GROUP *at* MORGAN STANLEY

*Vec-tor (VEK-ter) n.
magnitude and direction*

—Miriam Webster Dictionary

PORTFOLIO MANAGEMENT TEAM:

M. David Sherrill, CFA®, CMT®
Managing Director
Senior Portfolio Management Director
Financial Advisor

Daniel Sheldon
Financial Advisor

Michael J. Belsky
Senior Vice President
Senior Portfolio Management Director
Family Wealth Advisor
Financial Advisor

1290 Avenue of the Americas
12th Floor
New York, New York 10104
tel: (212) 893-7516
toll-free: (800) 827-1512
fax: (212) 705-4513

www.vectorgroupfinancial.com

As of September 30, 2017

Morgan Stanley



Vector US Energy Infrastructure Portfolio

Investment Objective

The Vector USEIP Strategy's primary objective is to provide tax-advantaged returns. It is modeled for the investor wanting to emphasize income from stable distribution payouts and modest long-term capital gains. The portfolio is closely monitored and fully invested with 10-15 publicly traded partnerships. Typically, clients will use this strategy as a complement to their core investments.

Investment Process

Using a bottom up approach, selected positions include MLP's with a focus on energy-related companies involved in the transportation, storage, and processing of natural gas, crude, and refined product. Enterprises are filtered for companies with a history of stable and predictable revenue streams. Geographic diversification is of some importance.

Revenue Exposure

ESTIMATED BUSINESS SEGMENT REVENUE EXPOSURE*

Crude Oil & Refined Products	46.58%
Natural Gas Liquids (NGLs)	25.54%
Natural Gas	16.86%

*Weighted percentages estimated based on Company Filings as of Year End 2015. Percentages may not equal 100 due to business activity outside given segments.

Portfolio Characteristics

	VECTOR U.S. ENERGY INFRASTRUCTURE PORTFOLIO	ALERIAN MLP INDEX
Distributions per Share Growth Rate (Weighted Average)	8.00%	5.00%
Distribution Coverage Ratio (Weighted Average)	1.49x	1.37x
Distributable Cash Flow Growth Rate (Weighted Average)	10.00%	13.00%
Dividend Yield (Weighted Average)	6.41%	7.48%

All data is as of September 30, 2017 unless otherwise noted
Research provided by Company Filings & FactSet Research Systems.

THE VECTOR GROUP *at* MORGAN STANLEY

*Vec-tor (VEK-ter) n.
magnitude and direction*

—Miriam Webster Dictionary

PORTFOLIO MANAGEMENT TEAM:

M. David Sherrill, CFA®, CMT®
Managing Director
Senior Portfolio Management Director
Financial Advisor

Daniel Sheldon
Financial Advisor

Michael J. Belsky
Senior Vice President
Senior Portfolio Management Director
Family Wealth Advisor
Financial Advisor

1290 Avenue of the Americas
12th Floor
New York, New York 10104
tel: (212) 893-7516
toll-free: (800) 827-1512
fax: (212) 705-4513

www.vectorgroupfinancial.com

DISCLOSURES:

Top holdings, sector allocation, portfolio statistics and credit quality are based on the recommended portfolio for new investors as of the date specified. Holdings lists indicate the largest security holdings by allocation weight as of the specified date. Other data in this material is believed to be accurate as of the date this material was prepared unless stated otherwise. Data in this material may be calculated by Morgan Stanley or by third party providers licensed by the Financial Advisors or Morgan Stanley.

Material in this presentation has been obtained from sources that we believe to be reliable, but we do not guarantee its accuracy, completeness or timeliness. Third party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data.

Morgan Stanley Wealth Management has no obligation to notify you when information in this presentation changes.

Holdings are subject to change daily, so any securities discussed in this profile may or may not be included in your account if you invest in this investment strategy. Do not assume that any holdings mentioned were, or will be, profitable.

This material is intended only for clients and prospective clients of the Portfolio Management program. It has been prepared solely for informational purposes only and is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or other financial instrument, or to participate in any trading strategy.

The individuals mentioned as the Portfolio Management Team are Financial Advisors with Morgan Stanley participating in the Morgan Stanley Portfolio Management program. The Portfolio Management program is an investment advisory program in which the client's Financial Advisor invests the client's assets on a discretionary basis in a range of securities. The Portfolio Management program is described in the applicable Morgan Stanley ADV Part 2, available at www.morganstanley.com/ADV or from your Financial Advisor.

Past performance of any security is not a guarantee of future performance. There is no guarantee that this investment strategy will work under all market conditions.

This material does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The strategies and/or investments discussed in this material may not be suitable for all investors. Morgan Stanley Wealth Management recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a Financial Advisor. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives.

The views expressed herein are those of the author and do not necessarily reflect the views of Morgan Stanley Wealth Management or its affiliates. All opinions are subject to change without notice. Neither the information provided nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Past performance is no guarantee of future results.

The investments listed may not be suitable for all investors. Morgan Stanley Smith Barney LLC recommends that investors independently evaluate particular investments, and encourages investors to seek the advice of a financial advisor. The appropriateness of a particular investment will depend upon an investor's individual circumstances and objectives.

LT Debt/Capital- A measurement of a company's financial leverage, calculated as the company's debt divided by its total capital. Debt includes all short-term and long-term obligations. Total capital includes the company's debt and shareholders' equity, which includes common stock, preferred stock, minority interest and net debt.

Price/Earnings- A valuation ratio of a company's current share price compared to its per-share earnings.

Price/Cashflow- A valuation ratio of a company's current share price compared to its level of annual cash flow.

Price/Book- A valuation ratio of a company's current share price compared to its book value.

Price/Sales- A valuation ratio of a company's current share price compared to its per-share earnings.

EPS- The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.

Market Cap- Market capitalization, otherwise known as market cap, is a measure of a company's size at a given time.

S&P 500 Index is an unmanaged, market value-weighted index of 500 stocks generally representative of the broad stock market. An investment cannot be made directly in a market index.

Master Limited Partnerships (MLPs) are (rolled-up) limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Because of their narrow focus, MLPs maintain exposure to price volatility of commodities and/or underlying assets and tend to be more volatile than investments that diversify across many sectors and companies. MLPs are also subject to additional risks including: investors having limited control and rights to vote on matters affecting the MLP, limited access to capital, cash flow risk, lack of liquidity, dilution risk, conflict of interests, and limited call rights related to acquisitions.

Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors or Private Wealth Advisors do not provide tax or legal advice. Clients should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning and other legal matters.

Alerian MLP Index: A composite of the 50 most prominent energy Master Limited Partnerships that provides investors with an unbiased, comprehensive benchmark for this emerging asset class. The index, which is calculated using a float-adjusted, capitalization-weighted methodology, is disseminated real-time on a price-return basis and on a total-return basis.

Morgan Stanley Smith Barney LLC member SIPC

As of September 30, 2017

CRC# 1351495