

Discretionary Trading Module

This Module supplements and forms part of the Customer Agreement entered into between you and Morgan Stanley from time to time, and must be read in conjunction with the Discretionary Account Investment Guidelines set out in the Annex. If you require a further copy of the General Terms, please contact your MSWM financial adviser.

1. Authority for Discretionary Trading

1.1 APPOINTMENT OF MSWM

You hereby request and authorise MSWM as the discretionary manager to manage your Investments of assets (each a “ **Holding** ” and together the “ **Holdings** ”) held or to be held in such Account(s) as MSWM designates for the purpose (the “ **Portfolio** ”) and to enter into Transactions to purchase, sell, transfer or otherwise acquire, dispose or deal in any and all Holdings as MSWM deems appropriate with full investment discretion on your behalf (without prior reference to, or consent from, you) and at your risk. The Portfolio will be invested in accordance with the Discretionary Account Investment Guidelines set out in the Annex to this Module (the “ **Discretionary Account Investment Guidelines** ”).

Such authorisation will include power to exercise rights in respect of and convert, and otherwise arrange, enter into and carry out Transactions in, any Holdings, on margin or otherwise, as noted in the Discretionary Account Investment Guidelines.

1.2 EXERCISE OF DISCRETION

You acknowledge and agree that investment decisions regarding the weightings of each Holding in the Portfolio, and the geographical, industry sector and credit exposure allocation within the Portfolio will be made in our absolute discretion taking into account the need to diversify across different asset classes and the Discretionary Account Investment Guidelines. However, no concentration limits are imposed on the Portfolio with respect to particular asset classes, geographical, industry sector or credit exposures. This means that choice of Holdings within the Portfolio and their respective weightings, country, sector and credit exposures will be made in accordance with MSWM’s professional judgment with due regard to the whole construction of the Portfolio and

the Discretionary Account Investment Guidelines. Accordingly, the weightings of the Holdings in the Portfolio are subject to change as MSWM deems appropriate in MSWM’s absolute discretion, and you specifically authorise MSWM to substitute, add to or remove the Holdings at any time from the Portfolio, and to enter into Transactions to purchase, sell, transfer or otherwise acquire or dispose of the applicable Investments or other assets, in MSWM’s absolute discretion (without prior reference to, or consent from, you and at your risk).

Your MSWM financial adviser will not ordinarily undertake a Transaction which is outside of, or exceeds, any minimum credit ratings, limits and/or restrictions set out in the Discretionary Account Investment Guidelines at the time such Transaction is undertaken. However, as noted in paragraph 9.2 (*Limits/Restrictions*), market movements or other events may result in such credit ratings, limits and/or restrictions not being adhered to or being exceeded. Your MSWM financial adviser will ordinarily seek to rebalance the Portfolio to ensure that the applicable credit rating, limit and/or restriction is adhered to or no longer exceeded within 90 days.

1.3 OFFERING DOCUMENTS

You acknowledge and agree that by granting MSWM with such discretionary investment authority, where a Holding is issued under one or more Offering Documents, MSWM will not be required to provide you with the Offering Documents or other marketing materials relating to that Holding prior to making investments in that Holding on your behalf. The monthly account statements MSWM provides to you in respect of the Portfolio will list the Holdings invested in on your behalf, and MSWM may, upon your request, provide the Offering Documents or other marketing materials relating to the Holdings to you after the investments are made.

1.4 USE OF AFFILIATES, AGENTS OR OTHER THIRD PARTIES

MSWM may arrange for an Associated Firm or an appropriately qualified third party to assist MSWM to carry out the Services (or any part thereof) which MSWM agrees to provide you under this Module. In addition, you acknowledge and agree that in providing

discretionary investment management services, MSWM may take into account investment research published by various research providers, including but not limited to strategic equity research model portfolios as well as any model portfolios provided by an Associated Firm and any third party providers. These portfolios are not developed specifically for MSWM or for you, and are portfolios that such other Associated Firm or third party provider produces in its ordinary course of business. In creating these portfolios, such other Associated Firms or third party providers do not act as an investment adviser to you.

2. Restrictions on Discretionary Transactions

2.1 You may notify MSWM from time to time of any changes in your investment objectives, risk tolerance or investment restrictions that you wish MSWM to follow in the management of your Portfolio. Any proposed changes to the investment objectives, risk tolerance or investment restrictions must be accepted by MSWM before becoming effective. If the proposed changes to the investment objectives or restrictions cause the Portfolio to deviate materially from the scope of the discretionary mandate as agreed on the date of this Module (as set out in the Discretionary Account Investment Guidelines), MSWM may recommend that you terminate the discretionary mandate under this Module and instead seek to invest in the relevant Holdings on a non-discretionary basis.

2.2 Some Holdings (such as investment funds (“**Funds**”)) may only accept investment from investors who are not prohibited or restricted under Financial Industry Regulatory Authority (or NASD) rules (as amended from time to time) from participating in profits from U.S. registered new issues. In the event you notify MSWM that you are prohibited or restricted from participating, or where your circumstances change so that you are no longer qualified to participate under Financial Industry Regulatory Authority (or NASD) rules (as amended from time to time) in profits from US registered new issues, MSWM may be required to dispose of the Holdings in a particular Fund in the Portfolio, which may result in the Portfolio deviating from the Discretionary Account Investment Guidelines. In the event such deviation is material, MSWM may recommend that you terminate the discretionary mandate under this Module and/or instead seek to invest into the relevant Holdings on a non-discretionary basis.

3. Performance

Performance of the Portfolio will be calculated as the difference between the net asset value of the Portfolio at the beginning and the end of a specified period, allowing for fees and commissions and time-weighted for contributions and withdrawals from the Portfolio (as the case may be).

4. Compensation

4.1 As compensation for the investment services rendered to you and your Account(s) under this Module, MSWM will charge the fees as set out in the fee schedule to this Module. The fees will be paid exclusive of any taxes. You shall pay such additional amounts as may be necessary in order that, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by any taxing authority of any jurisdiction

from which such payment is made, the fees will not be less than the amount provided for herein. MSWM may reduce, waive or defer its fees by such amount, and over such period, as MSWM in its absolute discretion determine.

4.2 MSWM and/or its delegates may also receive fees, commissions, rebates, charges, and other monetary and non-monetary benefits in respect of Holdings in your Portfolio and/or any Transactions MSWM enters into in respect of your Portfolio, as described in Clause 10 (*Fees and Charges*) of the General Terms. In particular, MSWM may receive one-off and/or ongoing fees, commissions, rebates, charges or other monetary benefits (including a share of revenue generated by Associated Firms, or third party financial product issuers or financial services providers) in connection with the purchase, retention or sale of Holdings in the Portfolio, including:

(i) Funds: MSWM may be paid fees, commissions, rebates or other monetary benefits by the investment managers, issuers or sponsors of Funds (which may include an Associated Firm) out of the management or other fees charged to the relevant Funds in which you have Holdings.

(ii) Investment-Linked Products: For Investment-Linked Products (as defined in the Investment-Linked Products Module), an Associated Firm (as applicable) may earn or generate fees, charges, commissions or other monetary benefits on structuring, issuing, managing, administering and/or selling such Investment-Linked Products, and MSWM may be paid a share of such fees, charges, commissions or other monetary benefits.

(iii) IPOs and secondary offerings: Where an Associated Firm (a) is acting as a financial adviser or lead manager to the issuer (or any of its affiliated companies) of a Holding, or may have advised or are advising any person in connection with a merger, acquisition or take over by or for such issuer (or any of its affiliated companies); or (b) has sponsored or underwritten or otherwise participated in, or are sponsoring or underwriting or otherwise are participating in, a Transaction, such Associated Firm may earn or generate fees, charges, commissions or other monetary benefits for performing such activities, and MSWM may be paid a share of such fees, charges, commissions or other monetary benefits.

The amount of the fees, commissions, rebates, charges or other monetary benefits MSWM and/or its delegates may receive in connection with the purchase, retention or sale of Holdings in the Portfolio may vary over time and may range from 0 to 2.5% of the value of the applicable Holdings. These benefits are not levied as an additional charge on your Portfolio.

4.3 Your MSWM financial adviser will be remunerated out of the fees, commissions, charges or other monetary benefits paid by, or attributable to, you.

4.4 Please note each Holding may include its own fees, charges or other expenses for the acquisition, transfer or disposal, and/or ongoing management and administration, of that Holding, which will be in addition to the fees set out in the fee schedule to this Module. Such fees, charges or other expenses may be reflected in the purchase, sale or published price of that Holding, and may not be separately disclosed or reported to you.

5. Additional Fees and Charges

You will be responsible for commissions, taxes and any other Transaction-related fees, charges or expenses, and you authorise MSWM to pay all such commission, taxes, fees, charges or expenses related to the Portfolio.

6. Valuation of the Portfolio and Performance Review

6.1 A valuation of your Portfolio as at the last trading day of each calendar month will be prepared and sent to you. These valuations will be prepared on the basis of the available market values of the Holdings in the Portfolio as determined by MSWM in its absolute discretion and, unless otherwise agreed in writing or stipulated in the Discretionary Account Investment Guidelines, will not include any additional measures of portfolio performance.

6.2 Any calculation or determination by MSWM for the purposes of this Module including, without limit, valuation of the Portfolio, fee calculations and other performance related thresholds for the purposes of paragraph 3 (*Performance*), shall in the absence of manifest error, be conclusive and binding unless you raise an objection in writing within 30 days of notice of such calculation or determination.

6.3 In addition to sending monthly portfolio statements, MSWM may arrange portfolio review meetings and/or calls with you to discuss your Portfolio as indicated in the Discretionary Account Investment Guidelines.

7. Additional Provisions

7.1 DEATH OR UNSOUND MIND

Notwithstanding Clause 26.11 (*Death or Unsound Mind*) of the General Terms, if you are a natural person, the powers and authorities given to MSWM under this Module shall not be affected by, and shall survive, your death or your becoming of unsound mind, or becoming incapable, by reason of mental disorder, of managing and administering your property or affairs. However, MSWM may elect to terminate this Module pursuant to paragraph 8 (*Amendment and Termination*).

7.2 INCONSISTENCY

In case of any discrepancy between this Module (including but not limited to investment objectives, risk tolerance and investment restrictions) and the terms of the Customer Agreement, the terms contained in this Module shall prevail.

7.3 APPLICATION OF ADDITIONAL MODULES OR SUPPLEMENTS

Where the Discretionary Account Investment Guidelines permit MSWM to purchase, sell, transfer or otherwise acquire or dispose of Holdings that are subject to specific terms, disclosures and/or risk factors, or MSWM requires you to make specific representations, warranties, undertakings, acknowledgements and/or agreements, in the Annexes and Appendices to the General Terms, Modules, Supplements, and/or other documents forming part of the Customer Agreement, MSWM's management of the Portfolio and the entering into of relevant Transactions shall be subject, and you will be deemed to have acknowledged and agreed, to such specific terms, disclosures, risk factors, representations, warranties, undertakings, acknowledgements and/or agreements (as applicable).

Without prejudice to the generality of the foregoing:

(i) To the extent MSIP extends any credit to you, whether to fund the acquisition of Holdings or otherwise, or MSWM enters into a Margined Transaction under this Module, the Holdings in the Portfolio and the relevant Transactions will also be subject to Annex A (*Security Provisions*) of the General Terms, the Credit Module, the Foreign Exchange Transactions Module, the Exchange Traded Derivatives Module and/or such other Modules or Supplements as are applicable. Where an Event of Default has occurred, and Morgan Stanley has become entitled to exercise its rights set out in the Customer Agreement, including selling or otherwise dealing with all or any of the Holdings in the Portfolio: (a) MSWM shall not be acting as your discretionary manager in entering into any Transactions; (b) the Discretionary Account Investment Guidelines shall not apply to any such Transactions, and (c) MSWM may elect to terminate this Module pursuant to paragraph 8 (*Amendment and Termination*).

(ii) The Hedge Funds Module shall also apply to any Transactions in relation to 'Hedge Funds' (as defined in the Hedge Funds Module) entered into pursuant to this Module.

(iii) The Investment-Linked Products Module shall also apply to any Transactions in relation to 'Investment-Linked Products' entered into pursuant to this Module.

8. Amendment and Termination

You or MSWM may amend the terms of this Module in accordance with the provisions of the Customer Agreement.

You or MSWM may terminate this Module by notice in writing to the other without necessarily terminating the Customer Agreement as a whole. The termination will be effective on the date there are no longer any Holdings in your Discretionary Investment Management Account ("**Effective Date of Termination**"). On termination, the fees described above will be pro-rated over the relevant period up to and including the Effective Date of Termination.

If a notice to terminate this Module has been issued, save where MSWM has:

(i) received instructions to transfer the Holdings to a third party ("**Third Party**"), or

(ii) received a request from you that your Holdings be held with Morgan Stanley on a non-discretionary basis under the terms of the Customer Agreement (which Morgan Stanley may refuse in its absolute discretion),

MSWM shall endeavour to liquidate the Holdings in the Portfolio as soon as reasonably practicable; however, you acknowledge and agree that market circumstances, or the terms of the applicable Holdings, may make it difficult or impossible for MSWM to liquidate or redeem some or all of your Holdings on a timely basis, in which such case MSWM will exercise our discretion to liquidate your Holdings in an orderly fashion. If MSWM is unable to liquidate the Holdings, or there is a delay in doing so, those Holdings will be held with MSWM on a non-discretionary basis under the terms of the Customer Agreement.

Where you have instructed MSWM to transfer the Holdings to a Third Party, MSWM shall endeavour to transfer such Holdings to the Third Party on a timely basis, but MSWM shall not be responsible nor liable for the acts or omissions of, or delay by, the Third Party in facilitating or accepting transfer of the Holdings.

9. Important Information

In addition to the risk disclosures contained in the Annexes and Appendices to the General Terms, Modules, Supplements, and/or other documents forming part of the Customer Agreement, you should note the following:

9.1 INVESTMENT RISKS

Past performance is not indicative of future performance or future returns, and the value of Holdings and any income therefrom can fall as well as rise.

Investing in financial instruments carries with it the possibility of losses, and a focus on above market returns exposes the Portfolio to above average risk. High yield investments can produce income at the expense of capital growth or the capital value of the investment. Target income or spending requirements may result in the erosion of capital value if insufficient income is generated through a Portfolio's investments. High volatility investments may be subject to sudden and large falls in value, and there could be large loss on realisation which could be equal to the amount invested. In some circumstances it may be difficult for the investor to sell or realise such investments or obtain reliable information about their value.

Credit ratings will be taken from Standard & Poors, Moody's or other reputable rating agency. Where ratings differ the Manager will elect which rating to use as the basis for their evaluation of the instrument.

Notes, certificates, baskets or other types of Investment-Linked Products carry the credit risk of the issuer in addition to the market risks of their underlying investments.

While the precise characteristics of any investment mandate agreed between MSWM and you will depend upon your individual circumstances, objectives and attitude to risk, below is some illustrative guidance which divides the risk spectrum into three parts, low risk; moderate risk and high risk:

Low risk – Your principal objective is to conserve your investment by reducing the risk of loss of capital and thus volatility in the portfolio. You are aware that capital risk can never be eliminated entirely, and that this style of investing will probably be subject to inflation risk. Typically, low risk strategies will comprise predominantly fixed income and investment grade cash management investments (but this is subject to the Discretionary Account Investment Guidelines); although you may also be willing to accept some increased capital risk, for example through investment in other asset classes with higher yields and / or capital growth potential.

Moderate Risk – You are willing to accept more capital risk than low risk investors in return for the opportunity for capital growth. In addition, this style of investment is likely to be more volatile than a low risk strategy. Moderate risk strategies comprise a broad mix of investment approaches including higher yielding fixed income portfolios, balanced portfolios of fixed income and equities and diversified equity portfolios (but this is subject to the Discretionary Account Investment Guidelines). Equity investing may be volatile and should form part of a longer term strategy. For example, in the short term, capital value may be prone to the effects of adverse market conditions.

High Risk – You are actively seeking to grow the capital value of your investment and willing to accept more capital risk and higher volatility than moderate risk investors. High risk investments imply capital risk and volatility associated with short term market risk of more aggressive investment strategies and instruments where some or all of your capital may be at risk.

Attitude to risk is subjective and evolves over time. MSWM may enter into transactions with you where the particular risk profile may vary from the broad risk tolerance described above which may be the subject of additional communication. You are encouraged to keep this under review with your MSWM financial adviser. Please review the information carefully and note any corrections.

You should note that where MSWM purchases Holdings within the Portfolio on your behalf, the risk/reward profile of individual Holdings may vary from those of other Holdings within your Portfolio or the Portfolio as a whole. However, MSWM will manage the Portfolio according to the risk profile as set out in the Discretionary Account Investment Guidelines (as amended from time to time).

Where a Holding is denominated in a currency other than your reference currency, changes in rates of exchange may have an adverse effect on the value, price of, or income derived from the Holding.

The Portfolio may in certain cases employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available, or will not always be effective in limiting losses. No representation or warranty is made as to the success or effectiveness of shorting, use of derivatives or deployment of cash in the Portfolio (where applicable).

9.2 LIMITS/RESTRICTIONS

Market movements or events such as downgrades or profits warnings on individual Holdings may cause your Portfolio to depart from any agreed weightings, credit ratings, limits and/or restrictions. Although MSWM will use reasonable endeavours to adjust the Holding(s) at its discretion to bring the Portfolio back into compliance within the relevant credit ratings, limits and/or restrictions within 90 days from the day the Portfolio initially ceases to adhere to such credit rating, limit and/or restriction, if your Portfolio remains uncompliant with the relevant credit ratings, limits and/or restrictions upon the expiry of such 90-day period, MSWM will consult you on the appropriate action to be taken on the Portfolio.

9.3 NON-RELIANCE

You acknowledge that MSWM does not provide legal, regulatory, tax or accounting advice in respect of your entry into this Module and appointment of MSWM as your discretionary investment manager, nor with respect to our entering into Transactions to purchase, sell, transfer or otherwise acquire, dispose or deal in any and all Holdings in your Portfolio, and that MSWM has recommended that you obtain (and you will obtain) where appropriate independent legal, regulatory, tax or accounting advice in respect of the foregoing. In particular, and without limiting the generality of the foregoing, you acknowledge and agree that your tax affairs are your own responsibility.

9.4 MANAGEMENT OF YOUR PORTFOLIO

Performance aspirations are not guaranteed and are subject to market conditions. Benchmark and index data are provided for illustrative purposes only. The Portfolio and/or Services described herein do not formally track any such benchmarks or indices and no representation is made as to relative future performance or tracking deviation. MSWM makes no attempt to minimise short-term volatility around any benchmark or index, and volatility

(which may be significant) relative to any such benchmark or index is anticipated.

A broad based multi-asset class portfolio is managed at the sole discretion of your MSWM financial adviser and with a diversified approach. The ability to invest in multiple-asset classes does not mean that your MSWM financial adviser will tactically asset allocate into particular asset classes or avoid asset classes that subsequently underperform on a relative or absolute basis.

Hedging policies describe the long-term basis for treatment of currency exposure. Except as may be agreed in writing with MSWM from time to time, or as otherwise provided in this Module (including the Discretionary Account Investment Guidelines), MSWM shall manage the currency exposures within the portfolio as MSWM may deem appropriate with full discretion. In particular, the investment manager may undertake foreign exchange transactions on your behalf to hedge all or part of the currency exposures, determined either at the level of the Portfolio or any benchmark or index against which the Portfolio is compared, or to take active currency positions for investment purposes. As a consequence, the Portfolio may not be fully hedged against adverse movements in currency exchange rates. Variations on hedge positions may occur due to, among other things, trade settlements or protection of the Portfolio from overly frequent hedge adjustments which might incur unnecessary costs.

Your Portfolio will be managed with a long-term diversified approach under normal market conditions but MSWM retains the power to make dynamic allocation decisions for the portfolio. You should note that volatile market movements can typically occur in times of market uncertainty. Management choices under such conditions to adjust or not to adjust positions with the Portfolio will be made in accordance with what your MSWM financial adviser believes best protects the long term interests of the Portfolio at that time. Where an aggressive investment strategy is undertaken this may result in short term investments and/or higher commission charges (if applicable).

9.5 CONFLICTS OF INTEREST

Morgan Stanley and/or its affiliates and employees have or may have a long or short position or holding in the securities, options on securities, or other related investments of issuers held in the Portfolio and may be providing or may have provided significant advice or investment services, including investment banking services, for any company similarly held. Morgan Stanley and/or its affiliates, and any third party MSWM engages to assist it in carrying out the Services, may give different advice, take different action, receive more or less compensation, or hold or deal in different securities for any other party, client or account (including their own accounts or those of their affiliates) from the advice given, actions taken, compensation received or securities held or dealt for the Portfolio.

9.6 RESTRICTIONS ON SECURITIES TRANSACTIONS

There may be periods during which MSWM is not permitted to initiate or recommend certain types of transactions in securities of issuers for which Morgan Stanley or one of its affiliates is performing broker-dealer or investment banking services or have confidential or material non-public information. These restrictions may mean that where Morgan Stanley has engaged an affiliate or third party to provide a model portfolio for the purposes of assisting MSWM to provide the discretionary investment management services, MSWM may not be able to manage your Portfolio in accordance with that model portfolio. Such restrictions may adversely impact

your Portfolio performance.

9.7 LIQUIDITY OF YOUR PORTFOLIO

The liquidity of the Portfolio is partially determined by the liquidity of the Holdings comprising the Portfolio.

In particular, non-exchange traded Funds may be subject to various subscription, redemption and transfer restrictions. Non-exchange traded Funds typically have minimum subscription amounts, and may impose gates on new subscriptions or may only accept new subscriptions on a periodic or infrequent basis. In addition, your ability to withdraw, redeem or transfer any or all of your interests in a Fund may be subject to minimum notice periods, liquidity and redemption terms, such as restrictions on withdrawals or redemptions, including liquidation fees, “lock-up” periods (which require investors to commit their investments for a certain period of time), gating arrangements (which seek to limit the amount of withdrawals from the Fund during a particular redemption period), and restrictions on withdrawals or redemptions of capital allocated to certain illiquid or difficult-to-value investments. There is generally no established or publically available market for trading shares/units or other interests in non-exchange traded Funds.

The foregoing will affect the liquidity of the Portfolio as a whole.

9.8 USE OF DERIVATIVES AND LEVERAGE

Notwithstanding that the Discretionary Account Investment Guidelines agreed with you may not permit, or may have limits or restrictions on the use of derivatives, such as forwards, futures, options, contracts for difference and swaps, and/or leverage within the Portfolio, you acknowledge and agree that Holdings may themselves, directly or indirectly, use derivatives and/or leverage for efficient portfolio management (including hedging) or speculative purposes. In particular, Hedge Funds and Investment-Linked Products may directly or indirectly hold or be exposed to derivatives and/or use gearing, short-selling or other techniques to leverage the relevant Hedge Fund or Investment-Linked Product. The use of derivatives or leverage may be prescribed in the applicable Holding’s Offering Documents, rules, regulations or constituent documents (as applicable). Please contact your MSWM financial adviser if you would like further details.

The availability of such investments or instruments does not represent a guarantee or warranty that they will be used at any point in time nor their subsequent contribution to the performance of the Portfolio.

9.9 GENERAL RISKS ASSOCIATED WITH INVESTMENT IN EXCHANGE-TRADED FUNDS (“ETFs”)

Market Risk – ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. You must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

Tracking Errors – Tracking errors refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager’s replication strategy. The common replication strategies include full replication/representative sampling and synthetic replication which

are discussed in more detail under paragraph 9.10 (*Counterparty Risk Involved in ETFs with Different Replication Strategies*).

Trading At Discount Or Premium – An ETF may be traded at a discount or premium to its net asset value. This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed for ETFs tracking specific markets or sectors that are subject to direct investment restrictions.

Foreign Exchange Risk – Investors trading ETFs with underlying assets not denominated in their reference currency are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETF price.

Liquidity Risk – Securities Market Makers (“SMMs”) are exchange participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more SMMs, there is no assurance that active trading will be maintained. In the event that the SMMs default or cease to fulfill their role, you may not be able to buy or sell the product.

9.10 COUNTERPARTY RISK INVOLVED IN ETFs WITH DIFFERENT REPLICATION STRATEGIES

Full Replication And Representative Sampling Strategies – An ETF using a full replication strategy generally aims to invest in all constituent stocks/assets in the same weightings as its reference index/assets. ETFs adopting a representative sampling strategy will invest in some, but not all of the relevant constituent stocks/assets. For ETFs that invest directly in the underlying assets rather than through synthetic instruments issued by third parties, counterparty risk tends to be less of concern.

Synthetic Replication Strategies – ETFs utilising a synthetic replication strategy use swaps or other derivative instruments to gain exposure to the reference index/assets. Currently, synthetic replication ETFs can be divided into two types:

(i) *Swap-based ETFs*: Total return swaps allow ETF managers to replicate the benchmark performance of ETFs without purchasing the underlying assets. Swap-based ETFs are exposed to counterparty risk of the swap dealers and may suffer losses if such dealers default or fail to honor their contractual commitments.

(ii) *Derivative embedded ETFs*: ETF managers may also use other derivative instruments to synthetically replicate the economic benefit of the relevant benchmark. The derivative instruments may be issued by one or multiple issuers. Derivative embedded ETFs are subject to counterparty risk of the derivative instruments’ issuers and may suffer losses if such issuers default or fail to honour their contractual commitments.

Even where collateral is obtained by an ETF, it is subject to the collateral provider fulfilling its obligations. There is a further risk that when the right against the collateral is exercised, the market value of the collateral could be substantially less than the amount secured resulting in significant loss to the ETF.

Fee Schedule

Investment Management Fee

As compensation for the investment services rendered under this Module, MSWM will charge an annual investment management fee which will be payable in arrears with respect to each quarterly period ending on 31 March, 30 June, 30 September and 31 December of each calendar year (each such quarterly period, a “Quarterly Period”), commencing with the first Quarterly Period ending on the last day of the Quarterly Period in which this Module is entered into and terminating upon the Effective Date of Termination. The management fee is equal to % per annum (including GST) of the total net asset value of the Portfolio (including cash holdings) as at the last day of each such Quarterly Period (and will be pro-rated for any partial Quarterly Periods) and is payable one calendar month immediately following the end of that Quarterly Period (or upon the Effective Date of Termination).

Model Portfolio Fee

In addition to the fee described above, MSWM will charge you an annual model portfolio fee which will be calculated and payable with respect to each Quarterly Period, in the manner described above. The model portfolio fee will be charged at the rate shown in the Annex for the relevant model portfolio/s, on the total net asset value of the Portfolio (including cash holdings) as at the last day of each Quarterly Period.

Client Initial:

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I/we have read, understood and agree to this Discretionary Trading Module.

For Individuals in all Jurisdictions

[Blank Name Field]			
NAME			
[Blank Address Field]			
ADDRESS			
[Blank Suburb Field]	[Blank State Field]	[Blank Postcode Field]	[Blank Country Field]
SUBURB	STATE	POSTCODE	COUNTRY
[Blank Signature Field]		[Blank Date Field]	
SIGNATURE		DATE	

For Joint Accounts in all Jurisdictions

First joint account holder

[Blank Name Field]			
NAME			
[Blank Address Field]			
ADDRESS			
[Blank Suburb Field]	[Blank State Field]	[Blank Postcode Field]	[Blank Country Field]
SUBURB	STATE	POSTCODE	COUNTRY
[Blank Signature Field]		[Blank Date Field]	
SIGNATURE*		DATE	

and

Second joint account holder

[Blank Name Field]			
NAME			
[Blank Address Field]			
ADDRESS			
[Blank Suburb Field]	[Blank State Field]	[Blank Postcode Field]	[Blank Country Field]
SUBURB	STATE	POSTCODE	COUNTRY
[Blank Signature Field]		[Blank Date Field]	
SIGNATURE*		DATE	

* All joint account holders to sign, unless signatories have express authority by deed to sign on behalf of all other parties. Please request additional signature pages from your MSWM financial adviser if more than two joint account holders need to sign.

Office Use Only

[Blank Account Number Field]	[Blank Account Name Field]	[Blank RR Code Field]
ACCOUNT NUMBER	ACCOUNT NAME	RR CODE

I/we have read, understood and agree to this Discretionary Trading Module.

For Partnerships in all Jurisdictions

Signed for and behalf of

[Signature Line]			
NAME OF CUSTOMER			
[Signature Line]			
ADDRESS OF CUSTOMER			
[Signature Line]	[Signature Line]	[Signature Line]	[Signature Line]
SUBURB	STATE	POSTCODE	COUNTRY
[Signature Line]	[Signature Line]		
SIGNATURE OF PARTNER(S)*	SIGNATURE OF PARTNER(S)*		
[Signature Line]	[Signature Line]		
NAME OF PARTNER	NAME OF PARTNER		
[Signature Line]	[Signature Line]		
DATE	DATE		

* All partners to sign, unless signatories have express authority by deed to sign on behalf of all other parties. Please request additional signature pages from your MSWM financial adviser if more than two partners need to sign.

For Companies, Foundations and Other Legal Persons

Signed for and behalf of

[Signature Line]			
NAME OF CUSTOMER			
[Signature Line]			
ADDRESS OF CUSTOMER			
[Signature Line]	[Signature Line]	[Signature Line]	[Signature Line]
SUBURB	STATE	POSTCODE	COUNTRY
[Signature Line]	[Signature Line]		
SIGNATURE OF DIRECTOR/ COMPANY SECRETARY/ ALTERNATE DIRECTOR /CHAIRMAN / AUTHORISED SIGNATORY*	SIGNATURE OF DIRECTOR/ COMPANY SECRETARY/ ALTERNATE DIRECTOR /CHAIRMAN / AUTHORISED SIGNATORY*		
[Signature Line]	[Signature Line]		
NAME	NAME		
[Signature Line]	[Signature Line]		
DATE	DATE		

* For Australian incorporated companies, execution must be effected pursuant to section 127 of the Corporations Act 2001 (Cth) which requires execution by two directors, a director and a company secretary, or for a proprietary company that has a sole director who is also the sole company secretary, that director. Please request additional signature pages from your MSWM financial adviser if more than two persons need to sign.

Office Use Only

ACCOUNT NUMBER	ACCOUNT NAME	RR CODE
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I/we have read, understood and agree to this Discretionary Trading Module.

For Trustees in all Jurisdictions

NAME OF TRUST			
ADDRESS OF TRUST			
SUBURB	STATE	POSTCODE	COUNTRY
NAME OF TRUSTEE (IF A COMPANY)			
SIGNATURE OF TRUSTEE/DIRECTOR/ COMPANY SECRETARY*		SIGNATURE OF TRUSTEE/DIRECTOR/ COMPANY SECRETARY*	
NAME		NAME	
DATE		DATE	

* All individual trustees must sign. In the case of a corporate trustee that is an Australian incorporated company, execution must be effected pursuant to section 127 of the Corporations Act 2001 (Cth) which requires execution by two directors, a director and a company secretary, or for a proprietary company that has a sole director who is also the sole company secretary, that director. Please request additional signature pages from your MSWM financial adviser if more than two trustees need to sign.

Office Use Only

ACCOUNT NUMBER	ACCOUNT NAME	RR CODE
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Risks

Before you consider investing in a portfolio, it's important you understand the risks that can affect your investments. Investment risks may vary significantly from those set out below and will depend on the actual investments used by the portfolio. The risks relevant to a portfolio depend on the underlying investments. For information about risks with regard to your personal situation speak to your adviser. The below is not intended to be an exhaustive list of all possible risks associated with an investment in a portfolio.

DIVERSIFICATION RISK

Lack of diversification across asset classes over your portfolio may cause your portfolio's return to fluctuate more than expected. For example, if the portfolio invests entirely in shares rather than spreading investment funds across other asset classes (such as property, cash and fixed interest), share market movements could significantly affect your investment.

CONCENTRATION RISK

Concentration risk may exist where there is a relatively small number of stocks held in your portfolio. Highly concentrated portfolios tend to be more volatile than more diversified portfolios, and a change in value of a single holding in the portfolio can have a material impact on the value of the portfolio as a whole.

MARKET RISK

Movements in a market sector due to, for example, economic conditions, government regulations, market sentiment, or local and international political events may have a negative impact on your investments and/or on the returns in your portfolio.

SECTOR RISK

There are risks associated with particular industries due to, for example, changes in consumer demand or commodity prices. For instance, if a portfolio invests heavily in a sector such as energy, the value of your investment might change with the price of oil.

LIQUIDITY RISK

Different assets are associated with different levels of liquidity. In certain circumstances, normally liquid assets may become illiquid. This could restrict the ability to sell them and to make withdrawal payments or process investment switches in a timely manner. For example, we might not be able to sell shares that are restricted or suspended from trading. Liquidity issues may affect the value of your investment.

MANAGER RISK

Investment managers may not anticipate market movements or execute investment strategies effectively. Changes in staff may also have an impact on the performance of a managed fund and/or a managed portfolio. Key person risk exists where an investment manager relies on critical individuals to manage or execute a particular investment strategy.

INTEREST RATE RISK

Changes in interest rates may have a direct or indirect impact on the value of all asset types, including interest bearing securities and shares in some companies.

INFLATION RISK

Your investments may not keep pace with inflation so over time, your money may have less purchasing power.

CREDIT RISK

Where your portfolio invests in cash or interest bearing securities, your capital and/or the interest earned on that capital may not be paid when due if the underlying bank or deposit-taking institution defaults on its obligations.

FOREIGN EXCHANGE RISK

If parts of your investment are priced in a foreign currency, international factors such as exchange rate fluctuations and movements in international stock markets may affect the value of your investment. These investments may also not be hedged (protected) effectively, or at all, against exchange rate fluctuations.

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