

Q3
2018

QUARTERLY INVESTMENT REPORT

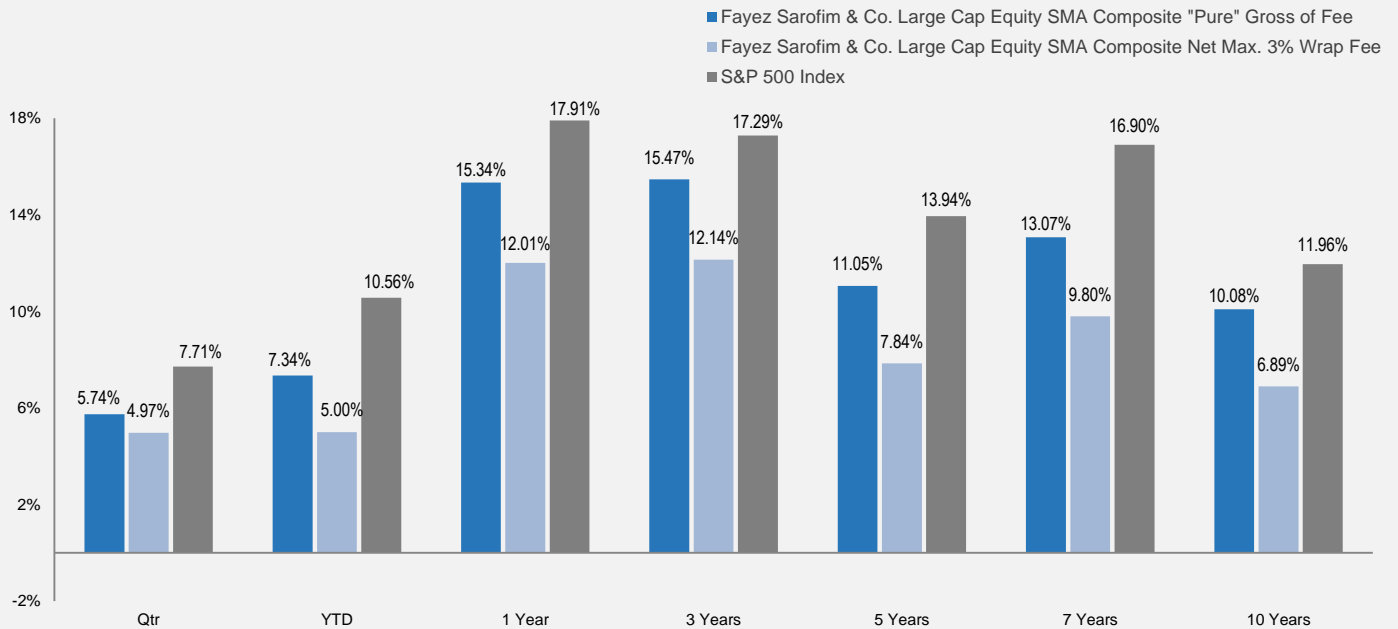
Fayez Sarofim & Co. Large Cap Equity

Separately Managed Accounts

MARKET SUMMARY

The S&P 500 Index (the "Index") powered ahead in the third quarter, setting five new record highs and logging its best quarterly performance since 2013. Continued earnings growth, progress on trade issues and a booming domestic economy supported the advance. The leading sectors of the index were health care and information technology, which were buoyed by particularly strong operating results, and industrials. Materials, energy and real estate were the weakest, although all 11 sectors of the index recorded gains for the quarter.

AVERAGE ANNUAL TOTAL RETURNS AS OF 9/30/18



Source: Faye Sarofim & Co. **Past performance is no guarantee of future results.** "Pure" gross-of-fee returns are supplemental to net-of-fee returns and do not reflect the deduction of any expenses, including transaction charges. Please see the notes at the end of this presentation for more information regarding performance statistics. Returns for less than one year are not annualized. The S&P 500® Index is a widely accepted, unmanaged index of U.S. stock market performance. An investor cannot invest directly in any index.

This presentation is to report on the investment strategies as reported by Dreyfus Investments and is for illustrative purposes only. The information contained herein is obtained from multiple sources and believed to be reliable. Information has not been verified by Morgan Stanley Wealth Management, and may differ from documents created by Morgan Stanley Wealth Management. The client should refer to the Profile. This must be preceded or accompanied by the Morgan Stanley Wealth Management Profile, which you can obtain from your Financial Advisor. For additional information on other programs, please speak to your Financial Advisor.

For Presentation to Morgan Stanley Wealth Management Clients.

Not FDIC-insured. Not bank-guaranteed. May lose value.

PORTFOLIO COMMENTARY

Fayez Sarofim & Co.'s portfolios registered a mid-single-digit gain for the quarter but trailed the Index on a gross-of-fee basis. The overweighted exposure to both the communication services and consumer staples sectors as well as weakness in key sector positions detracted from relative performance. The limited and selectively focused presence in the strong health care sector likewise penalized results compared to the benchmark. The positioning in the financials sector also weighed on relative returns. Factors that supported performance included the stock emphasis in industrials, with positive performances from holdings adding relative and absolute value. Correct stock focus in the energy sector and the avoidance of the more cyclical constituents supported relative results. The selection among materials and consumer discretionary issues and the lack of exposure to real estate and utilities, both of which lagged the broader average in the period, also proved advantageous.

TOP 10 HOLDINGS AS OF 9/30/18

Company	Ticker Symbol	Portfolio
Apple	AAPL	6.35%
Microsoft	MSFT	5.96%
Facebook	FB	4.74%
Alphabet	GOOG	3.85%
Philip Morris International	PM	3.40%
JPMorgan Chase & Co.	JPM	3.24%
Visa	V	3.11%
ExxonMobil	XOM	3.01%
Comcast	CMCSA	2.88%
Amazon	AMZN	2.75%
Total		39.29%

Source: Fayez Sarofim & Co. Based on a Fayez Sarofim & Co. SMA model portfolio and subject to change; actual individual accounts may vary. There is no assurance that the securities will remain in the portfolio or that other securities have not been purchased. The holdings listed should not be considered recommendations to purchase or sell a particular security. It should not be assumed that securities bought or sold in the future will be profitable or will equal the performance of the securities in this list. Fayez Sarofim & Co. will provide a list of all securities purchased and sold during the past year upon request.

INVESTMENT OUTLOOK

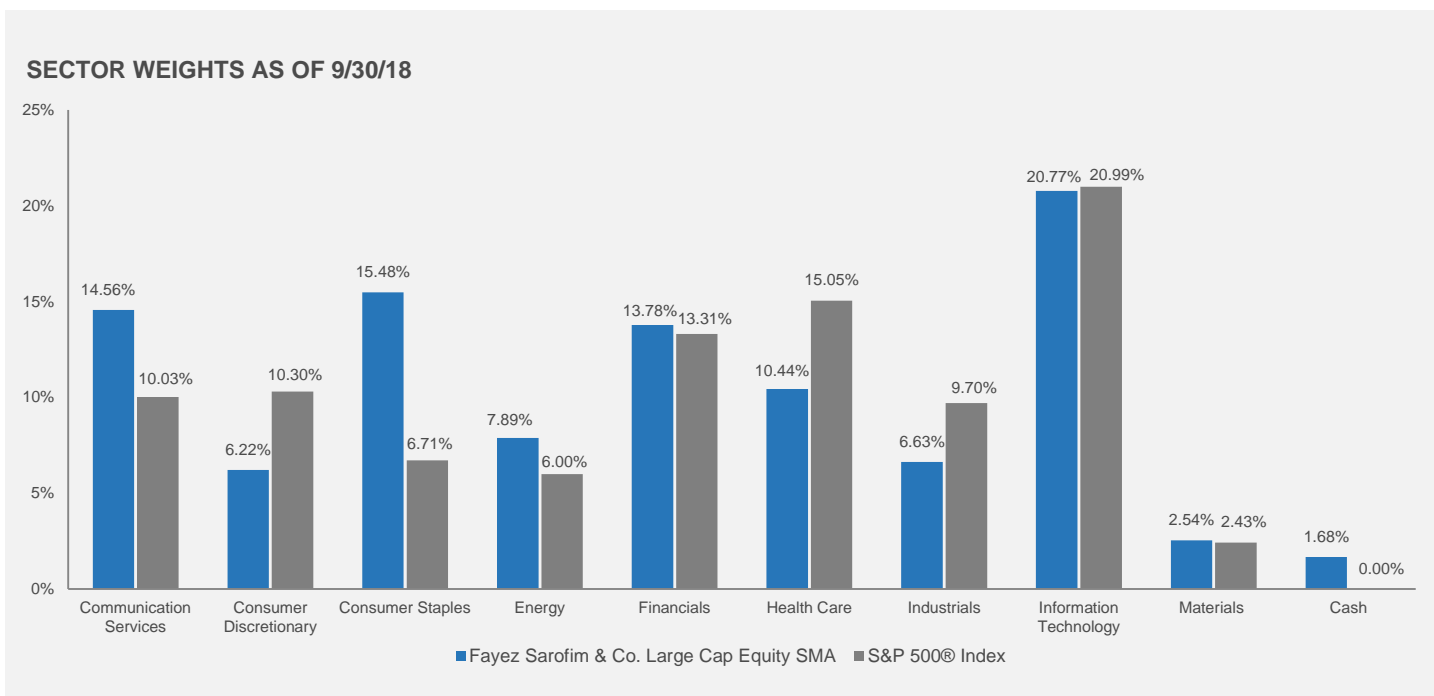
While trade frictions with China and rising interest rates have been fueling turbulence in international markets for several months now, U.S. stocks seemed to be comparatively insulated from these effects as investors instead focused on a domestic economic expansion that is showing few signs of slowing down. Data released in the July-September period show U.S. gross domestic product grew at a robust 4.2% annualized rate in the second quarter, with estimates pointing to an above-trend 3.1% pace for the year. The household sector remained very healthy with unemployment near its 20-year low and consumer confidence, as measured by the Conference Board's sentiment index, at its highest level since 2000. Second-quarter earnings results painted an equally rosy picture of the corporate sector. Boosted by solid demand conditions and the effects of last year's tax reform, S&P 500 companies posted nearly 25% earnings growth for the second quarter in a row.

Despite the upbeat domestic backdrop, the S&P 500 Index has come under pressure in recent weeks as investors began to contemplate the shift away from central bank support amid growing global economic divergence. The Federal Reserve, which increased interest rates again in September and signaled further hikes ahead, is gradually trimming its balance sheet while the European Central Bank continues to wind down its

asset-purchase program. In contrast with the solid conditions in the U.S., however, the euro area, along with much of the emerging world, has struggled to maintain momentum. Ebbing global liquidity and less synchronous growth abroad have raised fears of a peak in the economic cycle and earnings, which is driving volatility higher.

With global economic data pointing to continued, if less even, expansion, equity markets seem poised to recover from recent weakness and finish out the year with further gains. However, bouts of volatility are likely to become more frequent as the withdrawal of monetary stimulus continues and geopolitical tensions ratchet higher. We believe the relative performance of higher-quality companies with sustainable earnings prospects and low leverage will continue to strengthen as macro uncertainty increases. Fayed Sarofim & Co.'s long-practiced investment strategy focuses on what we believe are such companies. The multinationals in our portfolios have strong balance sheets and ample financial resources that help them to invest prudently for sustained growth, even as the cost of capital rises. Furthermore, their commitment to enhancing long-term shareholder value through disciplined capital redeployment, dividend increases, and share repurchases offers a degree of downside protection against increased volatility.

Fayez Sarofim & Co. Large Cap Equity



Source: Fayez Sarofim & Co. Based on a Fayez Sarofim & Co. SMA model portfolio and subject to change; actual individual accounts may vary. Sectors are defined according to the Global Industry Classification Standard (GICS). The S&P 500® Index also had a 2.65% sector weighting in Real Estate and 2.83% in Utilities.

PORTFOLIO CHARACTERISTICS AS OF 9/30/18

	Portfolio	S&P 500® Index
P/E Ratio (YE 2017)	24.58x	21.91x
Price/Book Ratio	4.08x	3.35x
5-Year EPS Growth Rate	13.00%	8.99%
Weighted Average Market Cap (\$ million)	326,167	218,905
Number of Holdings	46	505

Source: Fayez Sarofim & Co. Based on a Fayez Sarofim & Co. internal representative SMA account and subject to change; individual accounts may vary. The **Price/Earnings (P/E) Ratio** is a valuation ratio of a company's current share price to its per-share earnings. The **Price/Book Ratio** is calculated by dividing a stock's market price by the company's per-share book value. **Weighted Average Market Cap** is the average market capitalization of corporations in a fund or index, weighted by the percentage of the holding in the fund or index.

PEOPLE**Dreyfus**

With more than 65 years of investment expertise, The Dreyfus Corporation has built a strong reputation for professional asset management, quality and integrity. MBSC Securities Corporation (MBSC) is a subsidiary of The Dreyfus Corporation, and serves as administrator to separately managed accounts from Fayeze Sarofim & Co. MBSC also provides access to a range of investment solutions managed by BNY Mellon's globally diversified investment boutiques.

Fayeze Sarofim & Co.

Fayeze Sarofim & Co. was founded in 1958 to provide investment counseling services and has remained focused exclusively on this one business. The firm is privately held and based in Houston, Texas. Fayeze Sarofim & Co. has benefited from the tenure of its senior investment professionals, who have been with the firm an average of 36 years. The firm's extensive client list and many long-term client relationships attest to its singular focus for over five decades. At the end of the third quarter of 2018, Fayeze Sarofim & Co. managed over \$21 billion in assets.

INVESTMENT TEAM**Fayeze Sarofim****Chairman of the Board****Co-Chief Investment Officer**

Founded Fayeze Sarofim & Co., August 1958

M.B.A., Harvard University

B.S., Food Technology, University of California

Chartered Investment Counselor

Charles Sheedy, CFA**Senior Vice President**

Joined Fayeze Sarofim & Co., June 1971

M.B.A., Harvard University

B.A., English Literature, University of Notre Dame

Chartered Investment Counselor

PHILOSOPHY

Fayeze Sarofim & Co.'s investment philosophy derives from its belief that sustainable, above-average earnings growth is the single most important investment parameter. The firm believes that stock price appreciation is based on a company's earnings growth over the long term. Sustainable earnings growth, they have found, is predicated on a company's dominance in an attractive industry, and dominant businesses have usually resided in large companies. The firm invests with a minimum three- to five-year perspective and focuses on underlying trends rather than on short-term developments. As Mr. Sarofim frequently points out, "Nervous energy is a great destroyer of wealth."

PROCESS

To shape the portfolios, Fayeze Sarofim & Co. employs a predominantly bottom-up investment process managed by the Investment Committee. Security selection is based on a rigorous, internal research effort that examines company fundamentals. Research is conducted within the context of the Investment Committee's economic and market outlook and sector/industry emphasis. Fayeze Sarofim & Co. strives to identify companies that it believes can collectively increase their intrinsic values consistently and achieve three- to five-year growth rates in earnings, cash flow and dividends well in excess of the S&P 500® Index.

William Gentry Lee, Jr., CFA**CEO & Co-Chief Investment Officer**

Joined Fayeze Sarofim & Co., July 1998

M.B.A., Harvard University

B.A., Economics, Vanderbilt University

Catherine P. Crain, CFA**Vice President**

Joined Fayeze Sarofim & Co., August 1993

M.B.A., University of Texas

B.A., Plan II Liberal Arts Honors Program,

University of Texas

FAYEZ SAROFIM & CO. LARGE CAP EQUITY PORTFOLIOS
NOTES TO INVESTMENT RESULTS FOR PERIODS ENDED JUNE 30, 2018

1. Annual Rates of Return (Dollars in Millions)

The following table presents the annual returns for the SMA Large Cap Equity Composite (the Composite), as well as certain information with regard to the size of the Composite, its size relative to the assets under management by Fayez Sarofim & Co. (the Company) and a measure of dispersion. The information presented below is calculated in and expressed in United States dollars.

Year/Period Ended	Time-Weighted Rate of Return (Gross of Fee) (1)	Time-Weighted Rate of Return (Net of Fee) (2)	# of Portfolios	Total Composite Assets	Total Firm Assets	% of Total Managed Assets	% of Managed Equity Assets (1)	Dispersion of Returns	3 Year Standard Deviation of Returns	Standard & Poor's 500 Return	3 Year Standard Deviation of the Benchmark
2Q18	3.6%	2.9%	1,179	\$517	\$18,105	3%	3%	N/M	9.4	3.4%	10.0
YTD	1.5%	0.03%	1,179	\$517	\$18,105	3%	3%	N/M	9.4	2.7%	10.0
2017	26.0%	22.4%	1,192	\$530	\$19,021	3%	3%	0.4	9.4	21.8%	9.9
2016	7.8%	4.7%	1,357	\$480	\$17,882	3%	3%	0.4	10.5	12.0%	10.6
2015	(2.2)%	(5.1)%	2,641	\$892	\$18,931	5%	5%	0.5	10.8	1.4%	10.5
2014	8.8%	5.6%	3,300	\$1,253	\$25,393	5%	5%	0.1	9.7	13.7%	9.0
2013	22.0%	18.5%	4,091	\$1,532	\$24,847	6%	6%	1.2	11.2	32.3%	11.9
2012	11.1%	7.9%	3,992	\$1,368	\$23,352	6%	6%	1.1	14.0	15.9%	15.1
2011	8.6%	5.5%	5,238	\$1,596	\$20,792	8%	9%	0.8	16.4	2.0%	18.7
2010	15.6%	12.3%	5,159	\$1,459	\$19,498	7%	9%	1.0	19.8	15.1%	21.9
2009	25.2%	21.7%	5,870	\$1,477	\$17,984	8%	10%	1.1	17.7	26.6%	19.6
2008	(34.3)%	(36.3)%	11,163	\$2,132	\$18,710	11%	13%	0.5	14.0	(37.0)%	15.1

(1) Information presented is supplemental information to the fully compliant presentation.

(2) The time weighted rate of return of the Composite has been reduced by 3.0%, the publicized industry standard maximum wrap fee. Actual fees charged may be lower.

2. Basis of Presentation

The accompanying Investment Results chart sets forth certain net rates of return for the SMA Large Cap Equity Composite of the Company. The composite creation date, as defined for the Composite, is January 1, 2005. Fayez Sarofim & Co. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Fayez Sarofim & Co. has been independently verified for the periods from January 1, 1993 through December 31, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Composite has been verified for the annual periods from January 1, 2005 through December 31, 2017. The verification and performance examination reports are available upon request.

Accounts in the Composite are invested using a top-down/bottom-up process that focuses on identifying high quality companies displaying some or all of the following characteristics: industry dominance, global prominence, management expertise, financial strength, and stable, predictable earnings and dividend growth. This strategy is rooted in the firm's belief that over the long run, stock price appreciation is driven by underlying earnings growth.

The Standard and Poor's 500 Index (the Index) is presented as a benchmark for the returns of the Composite. The Index is used for comparative purposes only, and generally reflects the risk or investment style of the investments included in the reported Composite. The investment portfolios managed by the Company and included in the Composite are structured differently than the Index. The Index is published by Standard & Poor's, a division of S&P Global, Inc. The Index is a free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States. The stocks included in the Index are those of large publicly held companies that trade on either of the two largest American stock exchanges: the New York Stock Exchange and the NASDAQ. Benchmark returns are not covered by the report of independent verifiers.

The Company is not aware of any differences in exchange rates or valuation sources used among the portfolios within the Composite, and between the Composite and the Index.

Past performance may not be an indication of future results.

3. Company and Composite

The Company is an independent, registered investment adviser that is wholly owned by The Sarofim Group, Inc., a private company. The Company provides investment management services to institutions, high net worth individuals, mutual funds and SMA platforms sponsored by unaffiliated third parties.

The Company has three wholly owned subsidiaries that are also registered with the United States Securities and Exchange Commission as follows: Sarofim Trust Co., a manager of separate accounts and trustee and investment adviser to various trusts, Sarofim International Management Company, a manager to several offshore corporations based, for the most part, on continental Europe, and Sarofim Realty Advisors Co., a manager of institutional real estate portfolios. Each of the four registered investment advisers is defined separately due to the different markets served by the firms.

Portfolios included in the Composite from January 1, 2003 through June 30, 2018 are discretionary, fee-paying, portfolios. The Company reviews all managed portfolios for proper inclusion in the Composite and excludes those where the client prohibits implementation of the Company's investment strategy on the basis that the portfolio is not fully discretionary. The Composite is composed of portfolios that are managed on a basis wherein all, or substantially all, of the securities in the portfolios are equity securities.

A complete list of the Company's composites and performance results is available upon request. Additionally, the Company's policies on valuation, calculating performance and preparing GIPS compliant performance presentations are available upon request.

4. Investment Return Calculation

Prior to April 1, 2018, for each portfolio within the Composite for the investment periods presented, the monthly total returns for the time period were calculated in accordance with the modified Dietz method derived by taking the change in the value of the portfolio, including realized and unrealized appreciation/depreciation and income, as a percent of the beginning monthly market value of the portfolio adjusted for the weighted net value of all contributions and withdrawals (the cash flows). Monthly composite returns, which include returns on cash and short-term investments, were computed as the sum of each portfolio's monthly return within the Composite weighted by their respective beginning market values. Annual Composite returns were derived by geometrically linking monthly Composite returns. Portfolios included in the Composites are valued on the last business day of each month included in the respective reporting period.

Effective April 1, 2018, the Company transitioned the portfolios to a new portfolio accounting system. For each portfolio transferred, the portfolio total return is calculated by taking the change in the value of the portfolio, including realized and unrealized appreciation/depreciation and accrued income on a daily basis. The daily returns are linked to create a monthly return. Monthly returns are geometrically linked to create quarterly and annual returns.

Portfolios that experience a significant cash flow, which is defined as a cash flow that is 30% or greater than the value of the portfolio, may impair the Company's ability to implement its strategy, and are removed from the Composite for the period the portfolio is impaired. Prior to October 2014, a significant cash flow was defined as a cash flow that was 50% or greater than the value of the portfolio. The dispersion of the returns within the Composite uses the asset weighted method for its calculation.

The percentage of Composite assets represented by portfolios with separately managed account (or wrap) fees is 100% for all periods presented.

5. Investment in Securities

Investments in securities held in the portfolios included in the Composite that are traded on a national securities exchange are valued at the last sale price reported or, if there has been no sale that day, at the last known bid price. Securities traded on the over-the-counter market and quoted by the National Association of Securities Dealers Automated Quotation Service (NASDAQ) are valued at the last bid price quoted by NASDAQ. Securities traded on the over-the-counter market not quoted on NASDAQ are valued at the last known bid price. Non-U.S. based securities are valued based upon the last sale price reported on the exchange's composite tape using the home exchange of the security (and converted to U.S. dollars using the current currency exchange rate) or, if there has been no sale that day, at the last known bid price. Investment transactions are recorded on a trade date basis. Dividend income is accrued on the ex-dividend date. The valuation hierarchy utilized by the Company does not materially differ from the recommended hierarchy included in the GIPS.

6. Management Fees

The net returns presented are annual rates of return adjusted for wrap program fees. Wrap program fees may include investment management, custodial, brokerage and other fees paid to the program sponsor. The wrap program fee used to calculate the net-of-fee returns is the publicized industry standard maximum wrap fee, 3.0%. Actual fees may differ and may be lower. The portion of this fee received by Faye Sarofim & Co. for investment management services is 0.2175% per annum.

LEARN MORE

For more information about **Fayez Sarofim & Co. Large Cap Equity** separately managed accounts, please call Dreyfus at **1-877-334-6899**.

RISKS

Equities are subject to market, market sector, market liquidity, issuer, and investment style risks, to varying degrees. Investing in **foreign denominated and/or domiciled securities** involves special risks, including changes in currency exchange rates, political, economic, and social instability, limited company information, differing auditing and legal standards, and less market liquidity. These risks generally are greater with emerging market countries.

The S&P 500® Index is a widely accepted, unmanaged index of U.S. stock market performance. An investor cannot invest directly in any index.

The comments provided herein are a general market overview and do not constitute investment advice, are not predictive of any future market performance, are not provided as a sales or advertising communication, and do not represent an offer to sell or a solicitation of an offer to buy any security. Similarly, this information is not intended to provide specific advice, recommendations or projected returns of any particular product of BNY Mellon, MBSC Securities Corporation ("MBSC") or The Dreyfus Corporation ("Dreyfus"). These views are current as of the date of this communication and are subject to rapid change as economic and market conditions dictate. Though these views may be informed by information from publicly available sources that we believe to be accurate, we can make no representation as to the accuracy of such sources or the completeness of such information. Please contact us for current information about our views on the economy and the financial markets. Portfolio composition is subject to change, and past performance is no indication of future performance. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation. MBSC and Dreyfus are affiliated BNY Mellon investment management subsidiaries, and BNY Mellon utilizes the Dreyfus brand as a distribution mark for certain investment management products for which it provides investment advisory or administrative services.

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