

Morgan Stanley Smith Barney

JUNE 2009

MORGAN STANLEY'S GLOBAL WEALTH MANAGEMENT GROUP AND SMITH BARNEY JOIN FORCES TO CREATE THE INDUSTRY'S PREMIER WEALTH MANAGEMENT FIRM, WITH MORE THAN 18,000 HIGH-QUALITY FINANCIAL ADVISORS, \$1.4 TRILLION IN CLIENT ASSETS AND 1,000 OFFICES AROUND THE GLOBE.



2006

Morgan Stanley advises on many of China's largest IPOs, including China Construction Bank's \$9.2 billion IPO. The firm also completes its largest IPO to date with a \$10.4 billion offering for Rosneft, Russia's largest oil and gas company.



2004

Morgan Stanley expands its global footprint, leading ventures as disparate as a record Internet IPO—the \$1.9 billion Google offering—and the acquisition of Canary Wharf Group for its largest-ever real estate investment to date.

2001

The terror attacks of 9/11 hit home, claiming 13 Morgan Stanley employees in the World Trade Center. Heartbroken staff forever honor the memory of those lost with a Victims' Relief Fund for surviving family members.

1996

Starting a trend that would come to transform the investing world, Morgan Stanley launches its new ClientLink portal, putting critical market research and insightful reporting in the hands of investors.

\$10.2 Billion Deal Would Create Biggest Securities Company

By PETER TRUETT
The Morgan Stanley Group, one of Wall Street's elite investment firms, and Dean Witter, Discover & Company, which sells stocks and bonds to

1997

Morgan Stanley merges with Dean Witter, Discover & Co., creating the world's largest securities firm. The combined Morgan Stanley Dean Witter provides high net worth clients with institutional investment opportunities.



1995

Morgan Stanley becomes a pioneer in the world's fastest-growing developing economies, as the only foreign securities firm involved in China's first joint-venture domestic investment bank. During this decade, it also grows its presence across India's budding economy.

1984

Morgan Stanley is the first major firm to roll out prime brokerage services, giving independent money managers the tools they need to trade assets. It's an act that kick-starts the birth of the hedge fund industry.



Technology would transform American society, and Morgan Stanley is present from the earliest days of personal computing, with a five-million-share Apple offering that was the largest IPO since 1964.



CIGNA

1982–83

As America's bond market rallies, Morgan Stanley becomes one of the top traders of corporate bonds, helping clients cash in on the rebound. The firm's innovations help ignite the decade's mergers and acquisitions wave, and in 1986 the firm goes public.

1975

With the debut of Morgan Stanley International, the firm shifts its European base from Paris to London. Combined with an early presence in the exploding Japanese market, the business is perfectly situated to ride a rising global tide.

1977

With its newly formed Private Wealth Management division, Morgan Stanley presages a trend that would remake advisory services in America, with tailored solutions for high net worth individuals.



1970

Morgan Stanley forms a mergers and acquisitions department, which quickly becomes an industry leader in corporate restructurings. Led by visionary Chairman Bob Baldwin, the firm enters the sales and trading business.



2009

2000s

TRAGEDY AND RENEWAL

1990s

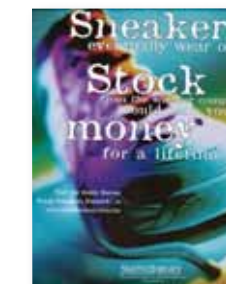
COMBINED STRENGTHS, GLOBAL REACH

1980s

INNOVATION AND TRANSFORMATION

1970s

AN ECONOMY UNDER SIEGE



2004

Smith Barney demonstrates its dominant position in American wealth management services by placing an impressive 20 Financial Consultants among the country's top 100 wealth advisors, according to *Barron's* magazine.*

* *Barron's* Survey of Top 100 Brokers, published September 20, 2004.



2000s

As a part of Citigroup, Smith Barney grows to encompass more than 14,000 Financial Advisors, offering a full suite of investment services to its nearly nine million domestic clients.

1997

In a groundbreaking move that many in the industry would follow, Smith Barney debuts its multidiscipline account program, a separate-account strategy that allows multidisciplinary investing under the watch of a single performance monitor.

1998

Smith Barney takes a commanding position in the Australian market, thanks to the acquisitions of County NatWest and Australia's J.P. Morgan Asset Management, and subsequently the retail brokerages for both ANZ and HSBC.

Sandy Weill merges Travelers Group with Citicorp, helping to usher in a new business model of widely diversified financial firms that would transform the industry.



1991

In yet another industry first, the firm helps investors sift through thousands of mutual funds to select the ones that are right for them, with an innovative advisory platform called TRAK.

1993

Smith Barney's parent company merges the firm with Shearson Lehman Brothers, incorporating a distinguished corps of broker-advisors and asset managers. Later it was joined with legendary investment bank Salomon Brothers, and in 1998, it became a critical division for newly formed Citigroup.

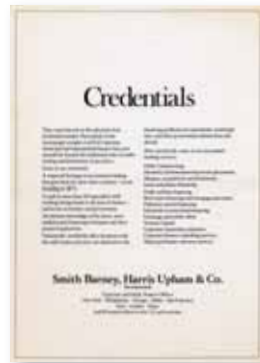
1987

Sandy Weill and Commercial Credit buy Primerica and then later that year acquire Smith Barney. The combined force of this fast-growing financial giant would form the foundation of Citigroup, setting the stage for changes that would dramatically broaden the services available to clients.



1980s

Smith Barney's brand rockets to worldwide prominence, thanks to ads featuring legendary actor John Houseman's trademark phrase: "They make money the old-fashioned way. They earn it."



1976

Smith Barney, with its core investment banking strengths, finds its perfect partner in Harris Upham & Co., a long-standing firm that caters to individual investors. The two form Smith Barney, Harris Upham & Co., offering a powerful array of financial services under one roof.

1973

Amid a gloomy period in the markets, a firm later to become part of the modern Smith Barney—E.F. Hutton—launches a new kind of investment, one that would bring individual clients together with independent asset-management firms. In every decade since, Smith Barney has maintained industry leadership in this type of investment program, the Separately Managed Account.

1975

E.F. Hutton pioneers the "wrap fee" concept, which ushers in an era of investment programs that combine an array of investment products and services for a single asset-based fee. This would be followed later in the decade by the Portfolio Management Group, which allowed Financial Advisors to provide institutional-caliber portfolio management to individual investors.

Morgan Stanley Smith Barney is a new wealth management firm with over 130 years of experience. It joins the wisdom and global resources of Morgan Stanley with the innovation and heritage of Smith Barney. This timeline shows the parallel histories of two firms which, decade after decade, found new ways to help clients achieve their financial goals.

The decade begins with an unimaginable horror, which in turn, reveals the deep compassion and resilience of the American spirit. From the ashes, Americans—along with Morgan Stanley and Smith Barney—rise to the challenges of a complicated world, and the economy eventually powers to new highs.

A wave of mergers and acquisitions hits the financial industry, as firms look to meet the needs of a growing population of individual investors. These powerful firms, Morgan Stanley and Smith Barney, are positioned perfectly to enable one of the century's longest economic expansions, creating new products and services to meet the needs of individuals and institutions.

The rapid spread of information technology changes the rules of finance, creating an abundance of new ways to create wealth. Individual investors turn to Morgan Stanley and Smith Barney for education and empowerment.

Faced with the worst economy since the Great Depression, American companies struggle to survive and thrive. Innovation is the watchword of the day, as Morgan Stanley and Smith Barney help businesses and individual investors weather the storm and emerge better equipped for a changing world.



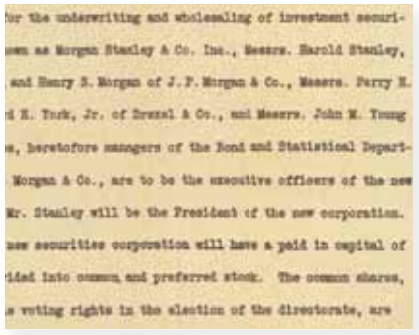
Prominent bond king and J.P. Morgan protégé, Harold Stanley, brings his wealth of securities expertise in cofounding the nascent firm, later becoming senior partner.



With Henry S. Morgan serving as treasurer and secretary, Morgan Stanley exceeds a stunning \$1 billion in deals by 1936, securing a 24% market share in the public offering and private placement market.

1935

Morgan Stanley, with roots dating back to 1854, is formed when a handful of partners at J.P. Morgan & Co.—including founding family heir Henry S. Morgan—leave the legendary bank to start a securities underwriting firm. Within a year, the newly formed Morgan Stanley is a leading player in the public offering market, helping connect investors with promising new businesses.



1941

Morgan Stanley reorganizes as a partnership to allow for expanding activity in the securities business and to qualify for membership in the New York Stock Exchange. The firm joins the NYSE in 1942.

1941

To gain passage of the Lend-Lease program, which allowed America to furnish Britain with critical supplies during the war, Morgan Stanley manages the sale of Britain's most valuable firm in the U.S., the American Viscose Company.



1946

With the war over, American industry shows its muscle at home, and Morgan Stanley leads the largest industrial bond issue in history: \$125 million for Shell Union, a record it would itself surpass just three years later.



With founding partner Perry E. Hall at the helm, Morgan Stanley manages stock and debt issues for the nation's leading companies over the course of the decade, from AT&T to U.S. Steel to General Motors.



1952

Morgan Stanley helps lay the foundation for the postwar economic order, co-managing a \$50 million bond offering for the World Bank that generates global attention. Other deals set record after record, including a \$231 million stock offering for a promising young company by the name of IBM.

1961

Morgan Stanley continues its impressive series of corporate financings, with \$150 million for the General Motors Acceptance Corporation, followed five years later by a landmark \$100 million issue for the New York Telephone Company.

1962

Morgan Stanley creates the world's first computer model for financial analysis, in collaboration with IBM. It's the root of the quantitative analysis movement that dominates much of the industry today.



1967

Morgan Stanley moves aggressively into new markets. To stake its claim in the burgeoning European securities business, Morgan & Cie, International is opened in Paris. Two years later, the firm's acquisition of Brooks, Harvey & Co., Inc. transforms the business into a real estate powerhouse.

CRISIS AND RECOVERY

1930s

1938

Charles D. Barney & Co., a brokerage firm with Philadelphia roots dating to 1873, merges with investment bank Edward B. Smith & Co. The combined Smith, Barney & Co. is one of the first true financial conglomerates, resulting in a wide range of expertise under one roof.



1938

Smith Barney sets up shop at 14 Wall Street, with 27 general partners, four limited partners and a staff of 730, led by senior partner Joseph R. Swan. In its early days, the firm, seeking stability in turbulent times, focuses on large institutional and individual clients.



WAR AND REBUILDING

1940s

1941-45

With much of America focused on the war effort, Smith Barney plays a crucial role in sustaining the country's stateside economic health. Led by Charles Barney Harding, grandson of the founder, the firm spearheads financing for emerging companies, mergers and acquisitions and critical municipal projects.



1945

Craving talented personnel for the booming postwar years, Harding founds the Harding Tech professional training program. An early graduate: future Smith Barney Chairman and CEO Robert A. Powers.



A NATION IN FULL BLOOM

1950s

1950s

With private placements now making up almost 50% of all debt and stock issues, Smith Barney establishes one of the investment banking industry's first private placement departments. The firm emerges as one of the nation's foremost underwriters of corporate securities and issuers of municipal bonds.



1957

Smith Barney's expanding reach requires a new home, and the firm takes over three floors of a skyscraper at 20 Broad Street. Two years later, the fast-growing business moves into what would become a critical niche, by opening an Investment Advisory Division.

SOCIAL TURMOIL, ECONOMIC PROGRESS

1960s

1960s

Smith Barney beefs up its standing as a valued partner for foreign corporations and governments, managing the first equity issue for Dutch airline KLM and the very first U.S. offering for Japanese electronics giant, Sony.



1964

Smith Barney officially becomes a corporation, transitioning from a private partnership. Having achieved his goal of incorporating the firm—and establishing a global footprint with offices in far-flung financial capitals like London and Geneva—Charles Barney Harding retires the following year.

1968

Smith Barney becomes a leader in corporate mergers, financing megadeals like the joining of Fairchild Publications and Capital Cities Broadcasting. It also helps lead the charge of lowering costs for investors by establishing a successful no-load mutual fund.

The crash of 1929 and the Great Depression throws America into financial chaos. But the visionaries who recognized that change brought opportunity are able to sow the seeds of economic renewal. Morgan Stanley and Smith Barney both rise to prominence in this tumultuous era, bringing together the expertise of veteran financiers to serve their country and their clients.

With the world entangled in war, Morgan Stanley and Smith Barney play a key role supporting the war effort at home and abroad. After the Allied victory, both firms supply capital and know-how to countries in need of economic reconstruction. This helps usher in a fresh era for America, one of renewed prosperity and global economic influence.

With Americans full of hope and optimism, the country undergoes an economic boom unlike anything the world has ever seen. Spared from the devastation of WWII, the U.S.—with the help of Morgan Stanley and Smith Barney—transitions from a wartime leader to a peacetime economic juggernaut, ringing in a new age of opportunity.

While America is grappling with important social issues, global economic development expands at astonishing speed. New financial innovations and overseas ventures help fuel global economic opportunities for both Morgan Stanley and Smith Barney.

Investments and services offered through Morgan Stanley Smith Barney LLC. Member SIPC.

© 2009 Morgan Stanley Smith Barney

www.morganstanleysmithbarney.com

