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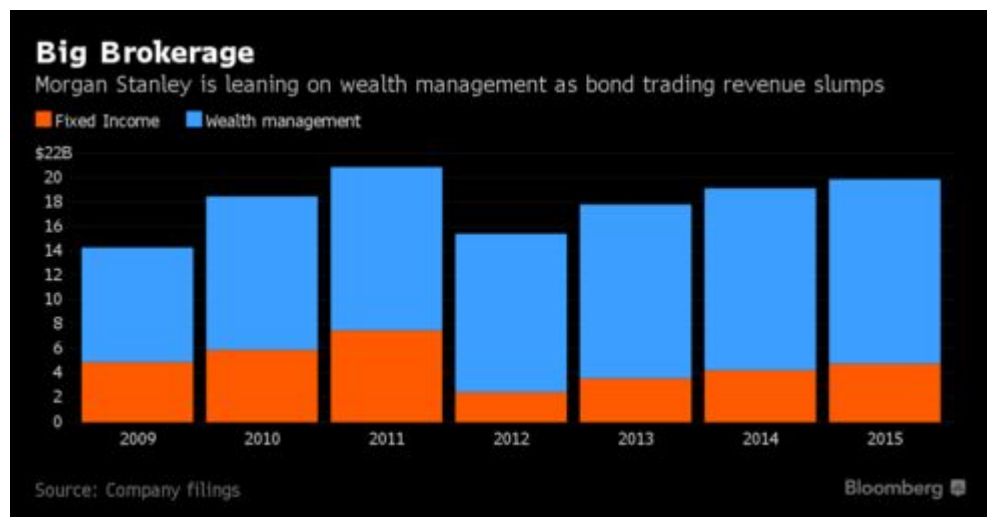
Morgan Stanley Fuses Desks to Boost Bond Sales to Rich Clients.

Morgan Stanley, the Wall Street firm most dependent on wealth management, is combining some trading teams from its investment bank and brokerage to boost bond sales to rich clients.

The firm is joining corporate and government bond-trading desks to give wealth-management clients access to the broader pool of securities and research available to institutional customers, said Andy Saperstein, co-head of the division. It's an expansion of an effort that brought municipal-bond teams together in 2014, he said.

"That was a proof of concept, that by putting them together, we outpaced the Street by a lot, we increased our share," Saperstein, 49, said in a telephone interview. "It allows you to have more inventory, more scale in the market when looking for inventory. It's also more effective to manage risk across the book when they're not separate."

Wealth management has increased in scale and stature at Morgan Stanley under Chief Executive Officer James Gorman. The business accounted for 43 percent of the firm's \$35.2 billion in revenue last year as fixed income became less profitable amid regulations and a trading slump.



Morgan Stanley will shuffle managers as part of the move, including Elizabeth Dennis, who ran the wealth-management team that executed trades. She will take over strategic lead management, which oversees referral business between institutional and wealth management and investments in private firms. She reports to Vince Lumia, who runs the private wealth-management unit catering to the firm's richest clients.

Kevin Lynyak, who heads trading for wealth management capital markets, will now report to Ben Huneke, head of investment solutions in wealth management, and Pat Haskell, the managing

director of fixed income and commodities in the firm's institutional division.

Stephen Wronski will run a combined debt and equity middle-markets business, reporting to Lumia and Tracy Castle-Newman, managing director of equities on the institutional side. As part of the initiative, some wealth-management traders in the firm's Purchase, New York, office will relocate to New York City.

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by Hugh Son

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