

TCW Investment Management Company

865 South Figueroa Street
Los Angeles, California 90017

Style: Small Mid Cap Growth
Firm Assets Under Management: \$138.4 billion
Firm Strategy Assets Under Management: \$590.0 million
Year Founded: 1971
Professional Staff: 338
Firm Ownership: Majority owned by Societe Generale
CG IAR Status: Approved

PRODUCT OVERVIEW

TCW Group's (TCW) small mid cap growth strategy seeks small-and medium-capitalization companies where the manager's estimates of the company's free cash flow growth over the investment horizon is materially above that implied by current Wall Street consensus and the security is attractively valued today relative to those cash flows. TCW analyzes target investments with a three year investment horizon. The process emphasizes fundamental research, thorough due diligence with target company management and the development of proprietary financial models.

The portfolio characteristics, portfolio statistics, portfolio weightings, allocation history and top five holdings are based on a representative account managed by the investment manager in the same or a substantially similar investment discipline and/or on information that the manager has provided to Morgan Stanley. The performance data and related analyses are based on the performance of the investment manager's composite described on page 3.

TARGET PORTFOLIO CHARACTERISTICS

Number of stock holdings:	50 to 70
Average dividend yield:	Below the S&P 500
P/E ratio:	Above the S&P 500
Cash level over market cycle:	0 to 10%
Risk (standard deviation):	Above the S&P 500
Average turnover rate:	20 to 100%
Use ADRs:	0 to 35%
Capitalization:	Large, Medium and Small companies

RISK CONSIDERATIONS

Investing in securities entails risks, including: The stocks of small and medium-sized companies are often associated with higher risk than stocks of larger companies, including higher volatility.

MANAGER'S INVESTMENT PROCESS

- Comprehensive, bottom-up fundamental research
- Generate new research ideas through quantitative screens, company visits, conferences and watch lists
- Identify companies with open ended growth, sustainable competitive advantage, outstanding management, highly profitable business models (at maturity), fully funded growth plans.
- Three step research process i) Proprietary research ii) Management meetings iii) Proprietary financial forecasts

MANAGER'S INVESTMENT STRATEGY

- ☐ Top-down / portfolio structures based on economic trends
- ☒ Bottom-up / portfolio structure based on individual securities

% PROCESS BASED ON

- 0 Asset allocation - cash vs. stock
- 10 Industry or sector weighting
- 90 Stock Selection

PORTFOLIO STATISTICS

	TCW	12/12 Russell 2500 Gr	S&P 500	06/12 TCW
Number of stock holdings	56	1,390	500	63
Weighted average dividend yield	0.5%	1.0%	2.2%	0.4%
Weighted average P/E ratio ¹	32.09x	20.69x	14.87x	31.52x
Weighted average portfolio beta	1.33	1.02	0.89	1.40
Mega capitalization ⁺	0.0%	0.0%	38.3%	0.0%
Large capitalization ⁺	0.0%	0.0%	49.1%	2.5%
Medium capitalization ⁺	0.0%	54.6%	12.6%	58.4%
Small capitalization ⁺	0.0%	39.7%	0.1%	39.1%
Micro capitalization ⁺	0.0%	5.7%	0.0%	0.0%

PORTFOLIO'S EQUITY SECTOR WEIGHTINGS ⁺

Sector	TCW	12/12 Russell 2500 Gr	S&P 500	06/12 TCW
Energy	9.31	6.27	10.99	9.96
Materials	3.02	7.04	3.62	4.91
Industrials	14.98	15.72	10.13	6.89
Consumer Discretionary	15.08	14.37	11.50	19.21
Consumer Staples	7.73	3.00	10.62	3.62
Health Care	13.03	10.11	12.01	23.54
Financials	6.83	22.78	15.61	6.90
Information Technology	26.53	14.33	19.03	23.97
Telecomm Services	0.00	1.32	3.06	0.00
Utilities	0.00	5.01	3.44	0.00
Cash/Cash Equivalents	3.49	0.00	0.00	1.00

PORTFOLIO'S ALLOCATION HISTORY (%)⁺

	12/12	09/12	06/12	03/12
U.S. Stocks	87	94	89	92
Non-U.S. Stocks	4	0	4	1
ADRs	3	0	0	0
ADRs/Non-U.S. Stocks	3	4	5	6
Cash/Cash Equivalents	4	2	1	2

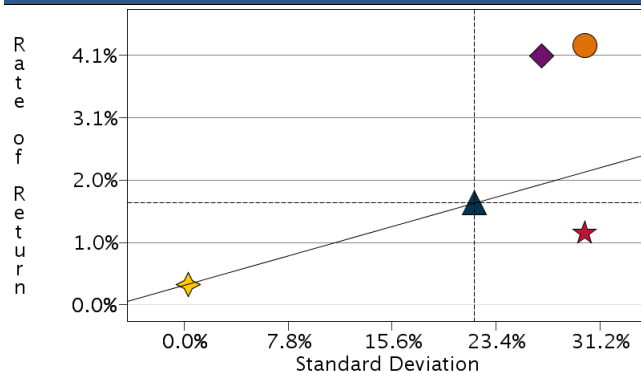
PORTFOLIO'S TOP FIVE EQUITY HOLDINGS

	%
Harman International Industries Inc.	3.5
Lufkin Industries Inc.	3.5
Allegheny Technologies Inc.	3.0
Aruba Networks Inc.	3.0
MicroStrategy Inc.	2.8

¹The P/E used here is calculated by the harmonic mean.

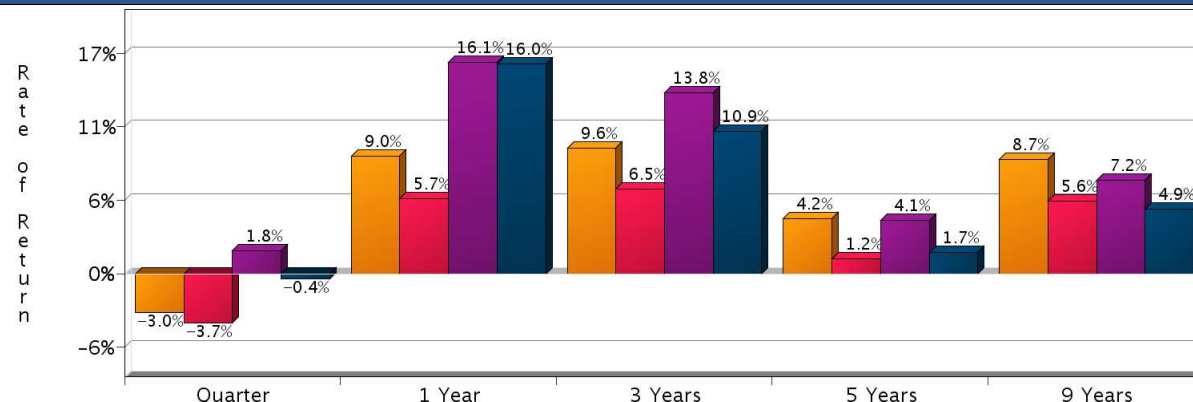
⁺Total may not equal 100% due to rounding.

RISK/RETURN ANALYSIS – 5 YEARS ENDING 12/31/12



	STD	ROR
TCW (Gross)	30.12	4.23
TCW (Net)	30.08	1.17
Russell 2500 Gr	26.86	4.07
S&P 500	21.81	1.66
90-Day T-Bills	0.28	0.33

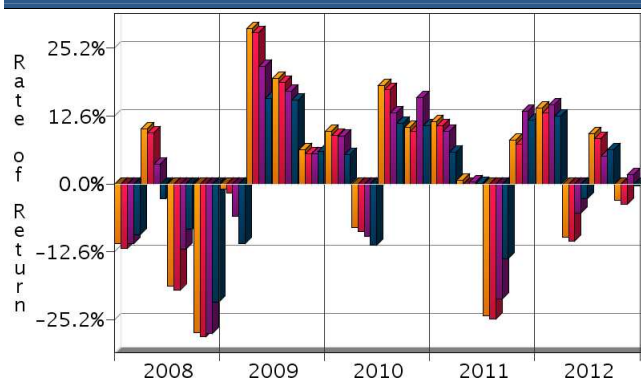
AVERAGE ANNUAL TOTAL RETURN (%) – PERIODS ENDING 12/31/12



INVESTMENT RESULTS	Annual Rates of Return (%)							9 Year - Ending 12/31/12	
	2003*	2004	2005	2006	2007	2008	2009	Annualized	Std. Dev.
TCW (Gross)	57.00	15.32	9.62	15.57	18.23	-42.50	62.46	31.76	24.13
TCW (Net)	53.97	12.00	6.44	12.25	14.86	-44.48	58.16	28.09	24.10
Russell 2500 Gr	51.15	14.59	8.18	12.26	9.69	-41.50	41.65	28.86	21.34
S&P 500	32.87	10.88	4.91	15.80	5.49	-37.00	26.46	15.06	16.77

*04/01/2003-12/31/2003

RISK VOLATILITY



	Number Of	Up Qtrs.	Down Qtrs.
TCW (Gross)		12	8
TCW (Net)		11	9
Russell 2500 Gr		13	7
S&P 500		11	9

PORTFOLIO'S QUARTERLY RETURNS (%)

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2003			29.37	28.62	8.79	8.04	11.55	10.80
2004	6.56	5.81	3.73	2.98	-8.14	-8.89	13.57	12.82
2005	-9.31	-10.06	5.79	5.04	11.15	10.40	2.80	2.05
2006	14.17	13.42	-5.75	-6.50	0.80	0.05	6.55	5.80
2007	3.22	2.47	9.04	8.29	7.19	6.44	-2.00	-2.75
2008	-11.14	-11.89	10.23	9.48	-18.90	-19.65	-27.62	-28.37
2009	-0.90	-1.65	28.85	28.10	19.62	18.87	6.36	5.61
2010	9.70	8.95	-8.08	-8.83	18.28	17.53	10.47	9.72
2011	11.56	10.81	0.69	-0.06	-24.50	-25.08	8.16	7.45
2012	14.03	13.24	-9.92	-10.59	9.32	8.48	-2.97	-3.75

Related

Select UMA

PORTFOLIO DIVERSIFICATION - R² (INCEPTION THROUGH 12/12)*

	R ²
TCW vs. S&P 500	0.79
TCW vs. Russell 2500 Gr	0.91

*Statistics are calculated using gross of fee performance only.

PORTFOLIO'S RISK STATISTICS – PERIODS ENDING 12/31/12^{1,2}

	3 Year	5 Year
Standard Deviation	24.74%	30.12%
Standard Deviation of Primary Benchmark	22.78%	26.86%
Sharpe Ratio	0.38	0.13
Sharpe Ratio of Primary Benchmark	0.60	0.14
Alpha	-3.84%	0.47%
Beta	1.04	1.08
Downside Risk	6.40%	5.79%
R-Squared	0.91	0.93
Tracking Error	7.49%	8.38%
Information Ratio	-0.56	0.02

1. Statistics are calculated using gross of fee performance only.
2. Russell 2500 Gr was used as the primary benchmark and the 90-Day U.S. T-Bill Index as the risk-free benchmark.

See page 3 for a discussion of the sources of the performance data used to calculate the performance results and related analyses on page 2.

Past performance is no guarantee of future results. This profile is not complete without pages 3 and 4, which contain important notes, including disclosures about the composite, index descriptions and a glossary of terms. Information shown is as of December 31, 2012, unless otherwise noted. All data are subject to change.

IMPORTANT NOTES AND DISCLOSURES

COMPOSITE DISCLOSURES

Past performance is no guarantee of future results. Actual individual account results may differ from the performance shown in this profile. There is no guarantee that this investment strategy will work under all market conditions. Do not use this profile as the sole basis for your investment decisions.

Performance results in this profile are calculated assuming reinvestment of dividends and income. Returns for more than one year are annualized and based on quarterly data. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Sources of Performance Results and Other Data: The performance data and certain other information for this strategy (including the data on page 1 of this profile) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel - and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of the these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax-harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Related Performance:

TCW Group's (TCW) small/mid cap growth equity performance represents a composite of all fully discretionary, fee-paying institutional accounts managed by TCW. The accounts in the institutional small/mid cap growth composite may include investments in Initial Public Offerings, in which Morgan Stanley Fiduciary Services separately managed accounts may not invest. The composite is asset-weighted and consists of 10 accounts with a market value of \$564.0 million as of 12/31/2012.

Select UMA Performance:

In this profile, the performance from 1/1/2010 through June 2012 consists of accounts in either the Morgan Stanley or the Smith Barney form of the Fiduciary Services program. From July 2012, performance consists of all Fiduciary Services accounts managed by the investment manager in the strategy, subject to any other limitations stated in this profile. Performance composites calculated by Morgan Stanley include all fee-paying portfolios with no investment restrictions. New accounts are included upon the first full quarter of performance. Terminated accounts are removed in the quarter in which they terminate. Performance is calculated on a total return basis and by asset weighting the individual portfolio returns using the beginning of period values.

Gross Performance: TCW's gross results do not reflect a deduction of any investment advisory fees or program fees, charged by TCW or Morgan Stanley, but are net of commissions charged on securities transactions.

Net Performance for all Periods: Net performance results reflect a deduction of 0.75% quarterly. This consists of three components: 0.625% maximum quarterly MS Advisory Fee and 0.03% maximum quarterly Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus 0.095% quarterly SMA Manager Fees (being the fee currently charged by TCW to new clients for managing their assets in the Select UMA program). The SMA Manager Fees may differ from manager to manager, and managers may change their fee to new clients from time to time. If you

select this manager for your account, check the SMA Manager Fees specified in the written client agreement, in case these have changed since you received this profile.

Morgan Stanley program fees are usually deducted quarterly, and have a compounding effect on performance. The Morgan Stanley program fee, which differs among programs and clients, is described in the applicable Morgan Stanley ADV brochure, which is available at www.morganstanley.com/ADV or on request from your Financial Advisor or Private Wealth Advisor.

Focus List, Approved List, and Watch Status:

Consulting Group Investment Advisor Research ("CG IAR") uses two methods to evaluate investment products in applicable advisory programs. In general, strategies that have passed a more thorough evaluation may be placed on the "Focus List", while strategies that have passed through a different and less comprehensive evaluation process may be placed on the "Approved List". Sometimes an investment product may be evaluated using the Focus List process but then placed on the Approved List instead of the Focus List.

Investment products may move from the Focus List to the Approved List, or vice versa. CG IAR may also determine that an investment product no longer meets the criteria under either evaluation process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status).

CG IAR has a "Watch" policy and may describe a Focus List or Approved List investment product as being on "Watch" if CG IAR identifies specific areas that (a) merit further evaluation by CG IAR and (b) may, but are not certain to, result in the investment product becoming "Not Approved". The Watch period depends on the length of time needed for CG IAR to conduct its evaluation and for the investment manager to address any concerns. CG IAR may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" on the cover page.

For more information on the Focus List, Approved List, and Watch processes, please see the applicable Morgan Stanley ADV brochure. Your Financial Advisor or Private Wealth Advisor can provide on request a copy of a paper entitled "Manager Research and Selection: A Disciplined Process".

ADDITIONAL DISCLOSURES

The information about a representative account is for illustrative purposes only. Actual account holdings, performance and other data will vary depending on the size of an account, cash flows within an account, and restrictions on an account. Holdings are subject to change daily. The information in this profile is not a recommendation to buy, hold or sell securities.

Actual portfolio statistics may vary from target portfolio characteristics.

The investment manager may use the same or substantially similar investment strategies, and may hold similar portfolios of investments, in other portfolios or products it manages (including mutual funds). These may be available at Morgan Stanley or elsewhere, and may cost an investor more or less than this strategy in Morgan Stanley's Select UMA program.

The portfolio may, at times, invest in exchange-traded funds (ETFs), which are a form of equity security in seeking to maintain continued full exposure to the broad equity market.

Morgan Stanley investment advisory programs may require a minimum asset level and, depending on your specific investment objectives and financial position, may not be suitable for you. Investment advisory program accounts are opened pursuant to a written client agreement.

The investment manager acts independently of, and is not an affiliate of, Morgan Stanley Smith Barney LLC.

Morgan Stanley Smith Barney LLC Member SIPC.

INDEX DESCRIPTIONS

90-Day T-Bills

The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of 'discount' is the interest earned. T-bills are issued in denominations of \$10,000 (auction) and \$1,000 increments thereafter.

Russell 2500 Gr

The Russell 2500 Growth Index is representative of the U.S. market for smaller to medium capitalization stocks containing those companies in the Russell 2500 Index with higher price-to-book ratios and higher forecasted growth.

S&P 500

The S&P 500 has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index has over US\$ 5.58 trillion benchmarked, with index assets comprising approximately US\$ 1.31 trillion of this total. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. This index includes dividend reinvestment.

Indices are unmanaged and have no expenses. You cannot invest directly in an index.

GLOSSARY OF TERMS

Alpha is a mathematical estimate of risk-adjusted return expected from a portfolio above and beyond the benchmark return at any point in time.

American Depositary Receipts (ADRs) are receipts for shares of a foreign-based corporation held in the vault of a U.S. bank.

Average Portfolio Beta is a measure of the sensitivity of a benchmark or portfolio's rates of return to changes against a market return. The market return is the S&P 500 Index. It is the coefficient measuring a stock or a portfolio's relative volatility.

Capitalization is defined as the following: Mega (Above \$100 billion), Large (\$12 to \$100 billion), Medium (\$2.5 - \$12 billion), Small (\$.50 - \$2.5 billion) and Micro (below \$.50 billion).

Downside Risk is a measure of the risk associated with achieving a specific target return. This statistic separates portfolio volatility into downside risk and upside uncertainty. The downside considers all returns below the target return, while the upside considers all returns equal to or above the target return.

Duration is a measure of price sensitivity expressed in years.

Information Ratio is a measure of the investment manager's skill to add active value against a given benchmark relative to how stable that active return has been. Essentially, the information ratio explains how significant a manager's alpha is. Therefore, the higher the information ratio, the more significant the alpha.

Investment Grade Bonds are those rated by Standard & Poor's AAA (highest rated), AA, A or BBB (or equivalent rating by other rating agencies or, in the case of securities not rated, by the investment manager).

Price/Earnings Ratio (P/E Ratio) shows the multiple of earnings at which a stock sells. Determined by dividing current stock price by current earnings per share (adjusted for stock splits). Earnings per share for the P/E ratio are determined by dividing earnings for past 12 months by the number of common shares outstanding. The P/E ratio shown here is calculated by the harmonic mean.

R² (R-Squared)/Portfolio Diversification indicates the proportion of a security's total variance that is benchmark-related or is explained by variations in the benchmark.

Sharpe Ratio measures the efficiency, or excess return per unit of volatility, of a manager's returns. It evaluates managers' performance on a volatility-adjusted basis.

Standard Deviation is a statistical measure of historical variability or spread of returns around a mathematical average return that was produced by the investment manager over a given measurement period. The higher the standard deviation, the greater the variability in the investment manager's returns relative to its average return.

Tracking Error represents the standard deviation of the difference between the performance of the investment strategy and the benchmark. This provides a historical measure of the variability of the investment strategy's returns relative to its benchmark.