

AEW Capital Mgmt

World Trade Center E 2 Seaport Lane
Boston, Massachusetts 02210

PRODUCT OVERVIEW

In constructing and managing equity securities portfolio, AEW employs a value-oriented investment philosophy that integrates quantitative research with hands-on real estate and capital markets expertise. As a value-oriented investment manager, they seek to identify REIT stocks that they believe are mispriced relative to their peers and, thus, represent the greatest relative value and strongest price appreciation potential, as well as lower downside risk. AEW's investment style, portfolio construction and stock selection processes have been the same since the inception of their REIT investment management program in 1995.

TARGET PORTFOLIO CHARACTERISTICS

Number of stock holdings:	30 to 50
Average dividend yield:	Above the S&P 500
P/E ratio:	Similar to the S&P 500
Cash level over market cycle:	—
Risk (standard deviation):	Above the S&P 500
Average turnover rate:	20 to 40%
Use ADRs:	—
Capitalization:	Large, Medium and Small companies

MANAGER'S INVESTMENT PROCESS

- Portfolios are managed by Natixis Asset Management Advisors, L.P. using investment recommendations supplied on a continuous basis by affiliated and third party subadvisors.
- Subadvisors continually adjust their investment recommendations based on changing market conditions, and our goal is to match their recommendations.
- Model portfolios will generally reflect recommendations implemented by the subadvisors for their discretionary clients.
- Natixis Asset Management Advisors, L.P. has the ability to deviate from the model portfolio in order to respond to the cash flow and tax considerations of individual clients.
- In an effort to seek the best overall execution, portfolio transactions will be effected by either Natixis Asset Management Advisors, L.P. or the relevant subadvisor.

RISK CONSIDERATIONS

Investing in securities entails risks, including: Real Estate Investment Trusts, REITs and the portfolios that invest in them are subject to risk, such as poor performance by the manager of the REIT, adverse changes to the tax laws or failure by the REIT to qualify for tax-free pass-through of income under the Code. In addition, some REITs have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property. Also, the organizational documents of a REIT may contain provisions that make changes in control of the REIT difficult and time-consuming. The value of real estate and the portfolios that invest in real estate may fluctuate due to losses from casualty or condemnation, changes in local and general economic conditions, environmental conditions, supply and demand, interest rates, property tax rates, regulatory limitations on rents, zoning laws and operating expenses.

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
 0 Industry or sector weighting
 0 Stock Selection

Style: Real Estate Securities

Firm Assets Under Management: \$25.2 billion

Firm Strategy Assets Under Management: \$661.1 million

Year Founded: —

Professional Staff: 210[^]

Firm Ownership: No Firm Ownership Selected

CG IAR Status: Not Applicable

PORTFOLIO STATISTICS^{*}

	03/13	09/12	AEW Capital	FTSE NAREIT US REITS	S&P 500	AEW Capital
Number of stock holdings	40	—	500	43		
Weighted average dividend yield	3.2%	—	2.1%	3.2%		
Weighted average P/E ratio ¹	48.29x	—	15.92x	47.28x		
Weighted average portfolio beta	—	—	0.94	—		
Mega capitalization ⁺	0.0%	0.0%	38.6%	0.0%		
Large capitalization ⁺	0.0%	0.0%	50.4%	0.0%		
Medium capitalization ⁺	0.0%	0.0%	10.9%	0.0%		
Small capitalization ⁺	0.0%	0.0%	0.0%	0.0%		
Micro capitalization ⁺	0.0%	0.0%	0.0%	0.0%		

PORTFOLIO'S EQUITY SECTOR WEIGHTINGS ⁺⁺

Sector	03/13	09/12	AEW Capital	FTSE NAREIT US REITS	S&P 500	AEW Capital
Energy	0.00	0.00	10.92	0.00		
Materials	0.00	0.00	3.43	0.00		
Industrials	0.00	0.00	10.11	0.00		
Consumer Discretionary	1.29	0.00	11.63	1.50		
Consumer Staples	0.00	0.00	10.96	0.00		
Health Care	0.00	0.00	12.53	0.00		
Financials	96.88	0.00	15.92	96.31		
Information Technology	0.00	0.00	18.02	0.00		
Telecomm Services	0.00	0.00	2.97	0.00		
Utilities	0.00	0.00	3.51	0.00		
Miscellaneous	0.00	0.00	0.00	0.00		
Cash/Cash Equivalents	1.83	0.00	0.00	2.19		

PORTFOLIO'S ALLOCATION HISTORY (%)^{*} ⁺

	03/13	12/12	09/12	06/12
REITs	98	99	98	98
Cash/Cash Equivalents	2	1	2	2

PORTFOLIO'S TOP FIVE EQUITY HOLDINGS^{*} %

Simon Property Group Inc.	12.0
Equity Residential	6.4
Public Storage	5.4
Prologis Inc.	4.9
Ventas Inc.	4.7

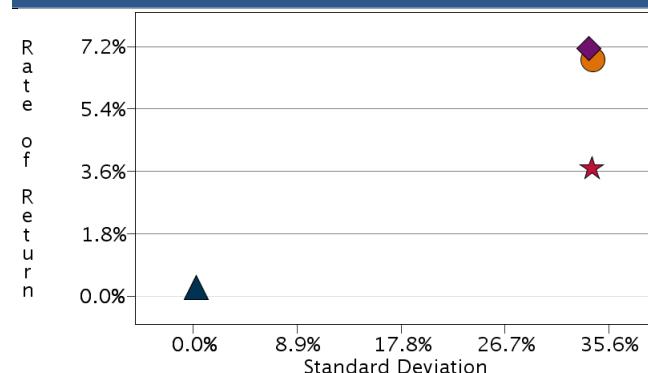
^{*}As of 03/31/2012. Information as of 03/31/2013 is not yet available.

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

⁺Total may not equal 100% due to rounding.

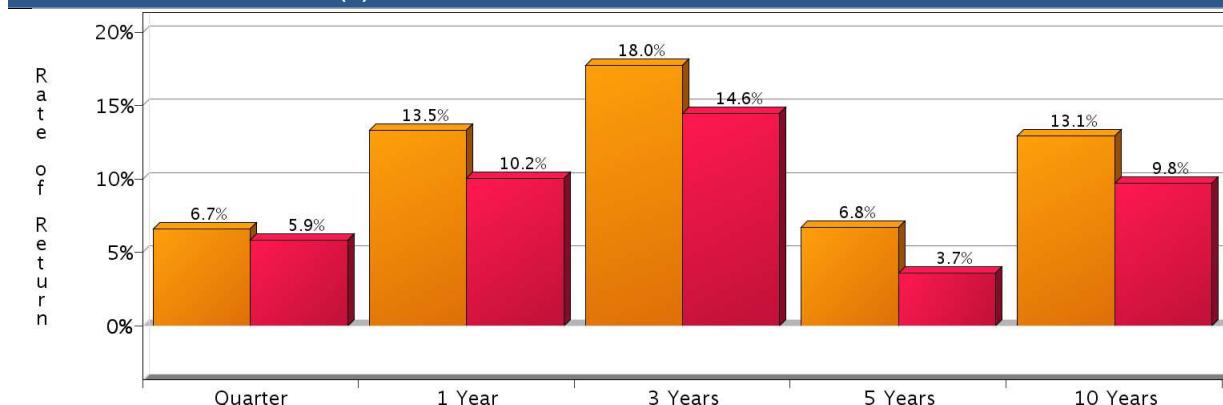
⁺As represented by AEW Capital Management.

RISK/RETURN ANALYSIS – 5 YEARS ENDING 03/31/13



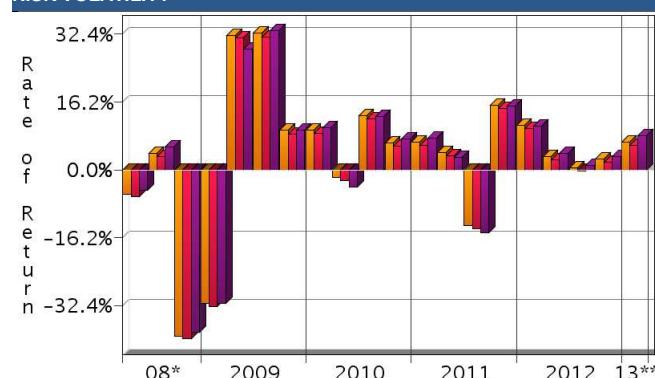
	STD	ROR
● AEW Capital (Gross)	34.26	6.79
★ AEW Capital (Net)	34.15	3.66
◆ FTSE NAREIT US REITS	33.89	7.10
▲ 90-Day T-Bills	0.22	0.25

AVERAGE ANNUAL TOTAL RETURN (%) – PERIODS ENDING 03/31/13



	INVESTMENT RESULTS										10 Year - Ending 03/31/13	
	2003	2004	2005	Annual Rates of Return (%)				2010	2011	2012	Annualized	Std. Dev.
AEW Capital (Gross)	37.92	35.30	14.99	36.22	-18.05	-38.20	30.61	29.17	10.89	17.67	13.12	26.85
AEW Capital (Net)	34.14	31.48	11.58	32.30	-20.47	-40.20	26.82	25.48	7.79	14.27	9.84	26.77

RISK VOLATILITY



*04/01/08-12/31/08 **01/01/13-03/31/13

	Number Of	Up Qtrs.	Down Qtrs.
● AEW Capital (Gross)	15	5	
★ AEW Capital (Net)	14	6	
◆ FTSE NAREIT US REITS	15	5	

PORTFOLIO'S QUARTERLY RETURNS (%)

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2003	1.36	0.61	12.59	11.84	10.33	9.58	9.54	8.79
2004	11.86	11.11	-4.41	-5.16	8.39	7.64	16.74	15.92
2005	-6.66	-7.43	15.04	14.22	3.91	3.18	3.06	2.27
2006	15.71	14.90	-1.37	-2.14	9.02	8.22	9.48	8.71
2007	3.30	2.59	-9.87	-10.54	2.65	1.82	-14.25	-14.89
2008	4.52	3.75	-5.77	-6.43	4.01	3.25	-39.67	-40.33
2009	-31.91	-32.53	32.15	31.41	32.67	31.77	9.40	8.55
2010	9.56	8.69	-1.81	-2.49	12.91	12.14	6.35	5.58
2011	6.56	5.79	4.12	3.38	-13.34	-13.98	15.34	14.58
2012	10.63	9.85	3.24	2.49	0.49	-0.25	2.53	1.76
2013	6.71	5.93						

Related

Fiduciary Services

PORTFOLIO'S RISK STATISTICS – PERIODS ENDING 03/31/13^{1,2}

	3 Year	5 Year
Standard Deviation	14.99%	34.26%
Sharpe Ratio	1.19	0.19
Alpha	1.55%	-0.28%
Beta	0.92	1.01
Downside Risk	1.38%	1.42%
R-Squared	0.98	0.99
Tracking Error	2.32%	2.51%
Information Ratio	0.13	-0.12

1. Statistics are calculated using gross of fee performance only.
2. Statistics are calculated using gross of fee performance only.PORTFOLIO DIVERSIFICATION - R² (10 YEARS ENDING 03/13)[†]R²

*Statistics are calculated using gross of fee performance only.

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 March 31, 2013, 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.

Related Performance (Manager's Composite):

For periods before the date on which Morgan Stanley begins to calculate an applicable performance composite for actual Morgan Stanley program accounts, the performance composite and certain other information for this strategy (including the data on page 1 of this profile) are based on the investment manager's own composite and data. This composite includes accounts managed by the investment manager according to the same or a substantially similar investment strategy. To provide maximum information to you, the investment manager's own composite is linked to the Morgan Stanley composite to create a simulated continuous track record of performance information for the investment strategy. The investment manager's composite may include separately managed accounts, institutional accounts and/or mutual funds. Performance and other data for the investment manager's composite may vary from that of Morgan Stanley accounts due to differences such as the availability and weighting of securities, trading implementation or client objectives. Morgan Stanley does not verify composite and other data provided by the investment manager and therefore does not guarantee its accuracy. Some of the accounts in the investment manager's composite may have invested in the initial public offering ("IPO") market, whereas accounts held in Morgan Stanley programs do not do so. Since investment managers may use different methods of selecting accounts to be included in their composites and for calculating performance, returns of different investment managers may not be comparable.

Related Performance:

The performance composite figures prior to October 1, 2004, reflects the results of AEW Capital Management's composite of fully discretionary accounts and includes reinvestment of dividends, capital gains and interest. It is believed to be accurate but has not been independently verified by Legg Mason Wood Walker, Inc. Investment performance is net of all commissions, but not custodial expenses or advisory fees. Performance results will be reduced by advisory fees and any other expenses incurred in the management of the account. As fees are paid quarterly the compounding effect will increase the impact of fees. Beginning October 1, 2004, performance figures represent an asset-weighted composite of all wrap-fee accounts managed by AEW Capital Management, utilizing their REIT style through Legg Mason Wood Walker's Advantage Manager Program. Accounts begin in the composite with the first full month they are under management. When a portfolio is terminated the performance of the portfolio is included in the composite with the first full month they are under management. When a portfolio is terminated the performance of the portfolio is included in the composite until the last full month the account was under management. The composite information was independently created and calculated by Legg Mason Wood Walker, Inc. Performance figures are presented gross of fees, include the reinvestment of all dividends, interest, and capital gains and are computed before taxes and are computed on a trade date basis.

Fiduciary Services Performance:

In this profile, the performance from 1/1/2006 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.

Equity Account (Gross): AEW Capital's gross results do not reflect a deduction of the investment advisory fees charged by AEW Capital, or program fees, if any, but are net of commissions charged on securities transactions.

Net Performance for all Periods: To demonstrate the effect of Morgan Stanley's fees that would have applied if you had invested in the investment manager strategy's through the Fiduciary Services program, the net results for all periods are calculated by deducting a quarterly fee of 0.75% (equivalent to an annual fee of 3%).

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.

Fiduciary Services is a separately managed account program sponsored by Morgan Stanley. For periods for which sufficient data is available, the profile shows a composite of client accounts managed by the investment manager in the Fiduciary Services program. Through June 2012, Morgan Stanley offered the Fiduciary Services program through two channels - the Morgan Stanley channel and the Smith Barney channel. For periods through June 2012, any composite based on Fiduciary Services accounts consists of Fiduciary Services accounts managed by the manager in the strategy in either the Morgan Stanley channel or the Smith Barney channel. If the strategy or similar strategies were available in both the Morgan Stanley and Smith Barney forms of the program, through June 2012 this profile presents the composite for the strategy that is closest to the strategy currently offered in the Fiduciary Services program. If both strategies were equally close, this profile shows through June 2012 the longer of the two composites. From July 2012, any composite based on Fiduciary Services accounts consists of all Fiduciary Services accounts managed by the manager in the strategy, subject to any other limitations stated in this profile. Performance and other data for Fiduciary Services composites may differ from composites in other Morgan Stanley programs, and performance and data for composites in one channel may differ from composites in the other channel, due to differences such as the availability and weighting of securities, trading implementation or client objectives.

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 the Morgan Stanley Fiduciary Services 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.

FTSE NAREIT US REITS

The FTSE NAREIT US Real Estate Index consists of equity REITs (Real Estate Investment Trusts), defined generally as REITs with 75% or greater of their gross invested book assets invested directly or indirectly in the equity ownership of real estate.

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 Depository 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.