

## Atlanta Capital Management Company, LLC

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## PRODUCT OVERVIEW

Atlanta Capital Management Co., LLC (“Atlanta Capital”) High Quality Growth Plus believes that higher quality growth companies produce more consistent earnings and dividends growth, thereby providing attractive returns with moderate risk over the long-term. Atlanta Capital’s philosophy is based on internal and academic empirical research. Atlanta Capital Management Co., LLC’s proprietary data, in conjunction with Standard and Poor’s Investment Advisory Services, examines all U.S. common stocks with S&P Quality Rankings and prices greater than \$1. Defining high quality companies as those rated B+ or Better by S&P, the following analysis demonstrates that high quality companies, or companies with consistent growth in earnings and dividends, tend to deliver comparable performance results with low quality companies but with significantly less volatility. Atlanta Capital seeks to maximize the potential benefits of quality investing – generating superior risk-adjusted rates of return -- through Atlanta Capital’s combination of active portfolio management and bottom-up, fundamental security selection. Atlanta Capital’s focus on consistent earnings growth over the long term results in a GARP growth style. Atlanta Capital is not willing to pay any price for growth.

## TARGET PORTFOLIO CHARACTERISTICS

Number of stock holdings:	45 to 55
Average dividend yield:	Below the S&P 500
P/E ratio:	Above the S&P 500
Cash level over market cycle:	0 to 5%
Risk (standard deviation):	Similar to the S&P 500
Average turnover rate:	40 to 50%
Use ADRs:	0 to 10%
Capitalization:	Mega, Large and Medium companies

## RISK CONSIDERATIONS

Investing in securities entails risks, including: Equity portfolios are subject to the basic stock market risk that a particular security, or securities in general, may decrease in value.

## MANAGER'S INVESTMENT PROCESS

- Purchase candidates include a universe of ~325 companies which meet the following criteria: 1) market capitalization ranks in the top 1000 U.S. listed companies; 2) financial quality ranked above-average by a nationally recognized common stock rating services; and 3) predicted long-term earnings growth above the S&P 500.
- The typical stock in the universe has above average ROE and ROIC, lower debt to equity, lower volatility of EPS and above average profitability. They tend to have increasing market share, excellent management and strong products. Generally, companies have ten years of analyzable data with a minimum of five years. This disciplined long-term requirement is unique and has been consistent throughout our 30 years of investing in High Quality.
- Stocks are added to the portfolio by the portfolio management team based upon consistency with what they believe are high rates of sustainable growth, prospects for near-term earnings momentum and reasonable valuation.
- Each portfolio contains 45 to 55 common stocks with each stock representing approximately 1% to 5% of the portfolio. Sector weights can be a maximum of 150% of the S&P sector weighting or 10% for those smaller sectors. A maximum underweight would be 100% or zero participation in a sector. Atlanta Capital does not have stated industry maximums. Atlanta Capital remains fully invested at all times (cash generally falls between 2% - 3%).
- Atlanta Capital’s approach to investment management remains true to Atlanta Capital’s investment philosophy which focuses on companies that they believe are able to grow their earnings and dividends throughout all market conditions. However Atlanta Capital does take into account different market conditions when determining if the current valuation is appropriate for Atlanta Capital’s growth projections for the company.

<sup>\*</sup>As of 03/31/2010. Information as of 03/31/2014 is not yet available.

<sup>†</sup>The P/E used here is calculated by the harmonic mean.

<sup>‡</sup>Total may not equal 100% due to rounding.

Style: Large Cap Core  
Firm Assets Under Management: \$8.2 billion<sup>†</sup>  
Firm Strategy Assets Under Management: \$2.0 billion<sup>†</sup>  
Year Founded: 1969  
Professional Staff: 47<sup>‡</sup>  
Firm Ownership: 17% Employee-Owned / 83% owned by Eaton Vance  
CG IAR Status: Approved

## PORTFOLIO STATISTICS

	03/14	09/13	
	Atlanta Capital	S&P 500	Atlanta Capital
Number of stock holdings	Data Not Available	500	—
Weighted average dividend yield	From Mgr.	2.0%	—
Weighted average P/E ratio <sup>†</sup>	17.60x	—	—
Weighted average portfolio beta	—	—	—
Mega capitalization <sup>‡</sup>	0.0%	39.3%	0.0%
Large capitalization <sup>‡</sup>	0.0%	52.8%	0.0%
Medium capitalization <sup>‡</sup>	0.0%	7.9%	0.0%
Small capitalization <sup>‡</sup>	0.0%	0.0%	0.0%
Micro capitalization <sup>‡</sup>	0.0%	0.0%	0.0%

PORTFOLIO'S EQUITY SECTOR WEIGHTINGS <sup>‡</sup>

	03/14	09/13	
	Atlanta Capital	S&P 500	Atlanta Capital
Energy	0.00	10.15	0.00
Materials	0.00	3.52	0.00
Industrials	0.00	10.65	0.00
Consumer Discretionary	0.00	12.05	0.00
Consumer Staples	0.00	9.66	0.00
Health Care	0.00	13.37	0.00
Financials	0.00	16.44	0.00
Information Technology	0.00	18.63	0.00
Telecomm Services	0.00	2.45	0.00
Utilities	0.00	3.07	0.00

## 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  
30 Industry or sector weighting  
70 Stock Selection

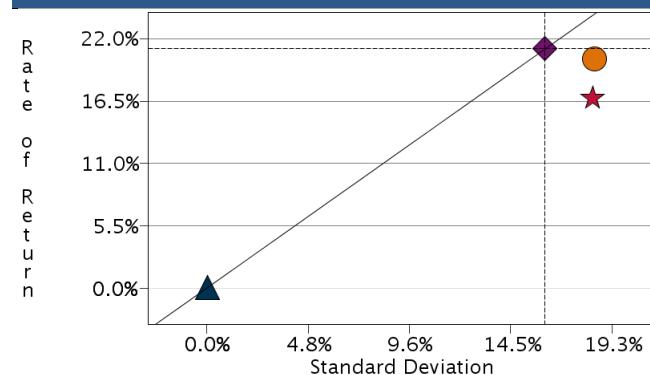
PORTFOLIO'S ALLOCATION HISTORY (%)<sup>\*</sup>

03/14 12/13 09/13 06/13

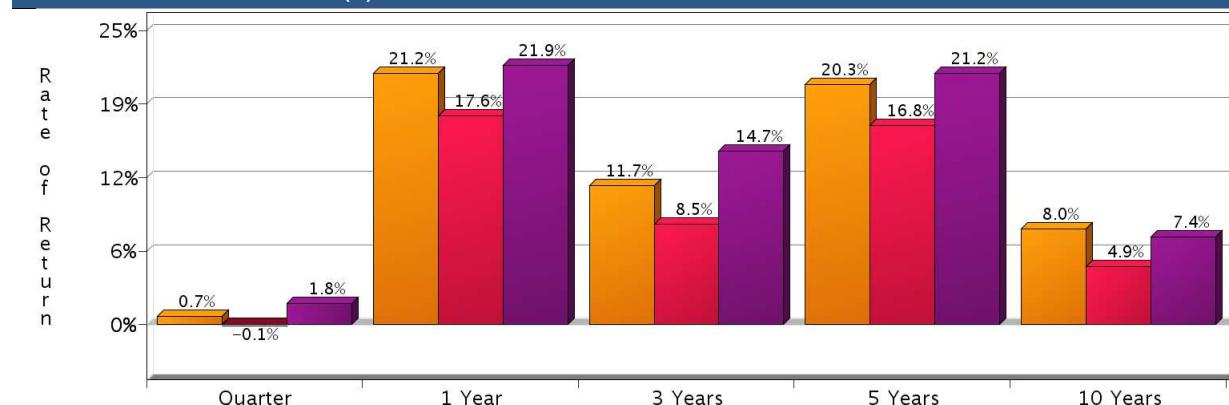
## PORTFOLIO'S TOP FIVE EQUITY HOLDINGS %

Data Not Available from Manager	—
—	—
—	—
—	—
—	—

## RISK/RETURN ANALYSIS – 5 YEARS ENDING 03/31/14

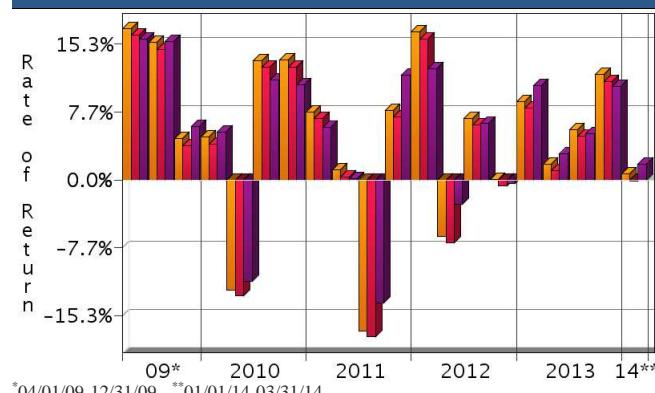


## AVERAGE ANNUAL TOTAL RETURN (%) – PERIODS ENDING 03/31/14



	STD	ROR
Atlanta Capital (Gross)	18.44	20.27
Atlanta Capital (Net)	18.35	16.79
S&P 500	16.07	21.16
90-Day T-Bills	0.02	0.09

## RISK VOLATILITY



\*04/01/09-12/31/09 \*\*01/01/14-03/31/14

	Number Of	Up Qtrs.	Down Qtrs.
Atlanta Capital (Gross)	17	3	
Atlanta Capital (Net)	15	5	
S&P 500	16	4	

## INVESTMENT RESULTS

	2004	2005	2006	Annual Rates of Return (%)				10 Year - Ending 03/31/14 Annualized	Std. Dev.
	2007	2008	2009	2010	2011	2012	2013		
Atlanta Capital (Gross)	5.76	5.78	10.42	13.44	-35.69	33.80	18.28	-2.66	17.33
Atlanta Capital (Net)	2.61	2.63	7.19	10.14	-37.72	29.91	14.85	-5.44	17.26
S&P 500	10.88	4.91	15.80	5.49	-37.00	26.46	15.06	2.11	16.41

## PORTFOLIO'S QUARTERLY RETURNS (%)

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2004	-1.10	-1.84	2.31	1.54	-3.22	-3.98	8.01	7.21
2005	-1.94	-2.69	1.35	0.57	3.97	3.22	2.37	1.60
2006	3.86	3.10	-3.02	-3.74	3.97	3.19	5.44	4.67
2007	-0.60	-1.33	7.81	7.04	5.28	4.47	0.55	-0.18
2008	-7.86	-8.61	0.93	0.21	-9.53	-10.22	-23.56	-24.25
2009	-5.51	-6.27	17.10	16.31	15.53	14.72	4.67	3.87
2010	4.83	4.01	-12.48	-13.12	13.50	12.70	13.58	12.77
2011	7.68	6.90	1.10	0.36	-17.10	-17.72	7.86	7.14
2012	16.75	15.93	-6.37	-7.08	6.96	6.17	0.06	-0.71
2013	8.87	8.09	1.80	1.04	5.66	4.90	11.91	11.11
2014	0.66	-0.12						

Related Fiduciary Services

PORTFOLIO'S RISK STATISTICS – PERIODS ENDING 03/31/14<sup>1,2</sup>

	3 Year	5 Year
Standard Deviation	17.68%	18.44%
Standard Deviation of Primary Benchmark	15.17%	16.07%
Sharpe Ratio	0.66	1.09
Sharpe Ratio of Primary Benchmark	0.96	1.31
Alpha	-4.15%	-2.90%
Beta	1.13	1.12
Downside Risk	4.04%	3.18%
R-Squared	0.94	0.96
Tracking Error	4.75%	4.26%
Information Ratio	-0.61	-0.21

1. Statistics are calculated using gross of fee performance only.

2. S&amp;P 500 was used as the primary benchmark and the 90-Day U.S. T-Bill Index as the risk-free benchmark.

PORTFOLIO DIVERSIFICATION - R<sup>2</sup> (10 YEARS ENDING 03/14)\*

Atlanta Capital vs. S&P 500	R <sup>2</sup>
	0.94

\*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.

## 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:

Atlanta Capital Management Co., LLC ("Atlanta Capital") High Quality Growth Plus performance prior to 1/1/1999 represents all fully discretionary, fee-paying, tax-exempt separate accounts included in the institutional High Quality Growth Plus Composite managed by Atlanta Capital. Performance subsequent to 12/31/1998 represents only fully discretionary, fee-paying separately managed wrap-fee accounts. The composite is asset-weighted and consists of N/A accounts with a market value of N/A as of 03/31/14.

#### Fiduciary Services Performance:

In this profile, the performance 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):** Atlanta Capital's gross results do not reflect a deduction of the investment advisory fees charged by Atlanta 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](http://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.

### 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 \$5.58 trillion benchmarked, with index assets comprising approximately \$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.

**Beta** is a measure of the sensitivity of a portfolio's rates of return to changes in the market return. It is the coefficient measuring a stock or a portfolio's relative volatility.

**Bottom-Up Stock Selection** Emphasis primarily on individual stock selection. Considerations of economic and industry factors are of secondary importance in the investment decision-making process.

**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).

**Dividend** a portion of a company's profit paid to common and preferred shareholders.

**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.

**High Grade Corporate Bonds** corporate bonds from issuers with credit ratings of AA or AAA.

**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.

*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, 2014, unless otherwise noted. All data are subject to change.*