

ING Investment Management

230 Park Avenue
New York, New York 10169

Style: Intermediate Term Municipal Fixed Income
 Firm Assets Under Management: \$2.7 billion^
 Firm Strategy Assets Under Management: \$317.0 million^
 Year Founded: 1972
 Professional Staff: 209^^
 Firm Ownership: ING Group
 CG IAR Status: Approved

PRODUCT OVERVIEW

ING Investment Management Co., LLC's (ING) intermediate term municipal fixed income style is very conservative and focuses on after-tax current income and secondarily on the future trend of interest rates, incorporating the firm's methods of "disciplined interest rate anticipation." A multi-sector approach reduces risk through diversification and raises return potential. Quality is the key criterion in security selection - portfolios tend to concentrate on general obligation and stable revenue bonds. ING feels strongly that coupon and credit rating are only starting points: liquidity, issuer strength, insurance backing and fair valuation are also critical to building adequately diversified portfolios. ING's investment goals are to maximize tax advantages, earn high current tax-free income, realize competitive total return, minimize investment risk and protect principal. In addition to managing national municipal fixed income portfolios, ING manages state-specific portfolios for many states. Where state specific-only portfolios are not available, federally tax-exempt securities will be purchased.

TARGET PORTFOLIO CHARACTERISTICS

Number of bond holdings:	8 to 15
Average credit quality:	AA to AAA
Average maturity:	4.0 to 12.0 years
Average duration:	3.0 to 7.0 years
Average coupon:	4.0 to 7.0%
Average turnover rate:	10 to 30%

MANAGER'S INVESTMENT PROCESS

- Focus on major interest rate trends
- Invests in general obligation and high quality revenue bonds
- Credit analysis
- Portfolios include the highest quality issuers
- Most portfolios managed on state-specific basis
- Cash positions typically less than 10%
- Very conservative approach

RISK CONSIDERATIONS

Investing in securities entails risks, including: Municipals may realize gains, and shareholders will incur a tax liability from time to time. Income from the portfolios that invest in them are subject to state and local taxes and may at times be subject to the alternative minimum tax. It's important to note that a portfolio concentrating in a single state is subject to greater risk of adverse economic conditions and regulatory changes than a portfolio with broader geographical diversification. Fixed Income securities may be sensitive to changes in prevailing interest rates. When rates rise the value generally declines.

PORTFOLIO STATISTICS

		-----12/12-----	06/12	
	ING	BC 7 Year Municipal Bond Index	BC Muni	ING
Number of bond holdings	Data Not	—	—	—
Average credit quality	Available	—	—	—
Average maturity	From Manager	—	—	—
Average duration	—	—	—	—
Average coupon	—	—	—	—

FIXED INCOME SECTOR DISTRIBUTION(%) *

	12/12	09/12	06/12	03/12
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PORTFOLIO'S MATURITY STRUCTURE(%) *

	12/12	09/12	06/12	03/12
0 to 2 Years	0.00	0.00	0.00	0.00
2 to 4 Years	0.00	0.00	0.00	0.00
4 to 6 Years	0.00	0.00	0.00	0.00
6 to 8 Years	0.00	0.00	0.00	0.00
8 to 12 Years	0.00	0.00	0.00	0.00
12 to 17 Years	0.00	0.00	0.00	0.00
Over 17 Years	0.00	0.00	0.00	0.00
Cash/Cash Equivalents	0.00	0.00	0.00	0.00

PORTFOLIO'S CREDIT QUALITY STRUCTURE(%) *

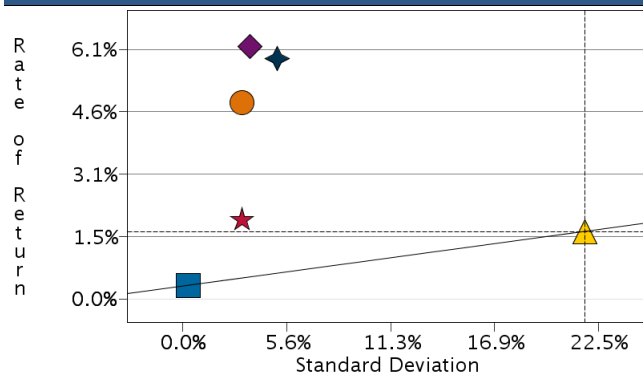
Investment Grade	12/12	09/12	06/12	03/12
AAA	0.00	0.00	0.00	0.00
AA	0.00	0.00	0.00	0.00
A	0.00	0.00	0.00	0.00
BBB	0.00	0.00	0.00	0.00
Below Investment Grade				
BB	0.00	0.00	0.00	0.00
B	0.00	0.00	0.00	0.00
Below B	0.00	0.00	0.00	0.00
Not Rated	0.00	0.00	0.00	0.00
Cash/Cash Equivalents	0.00	0.00	0.00	0.00

^As of 12/31/2010. Information as of 12/31/2012 is not yet available.

^^As of 09/30/2011. Information as of 12/31/2012 is not yet available.

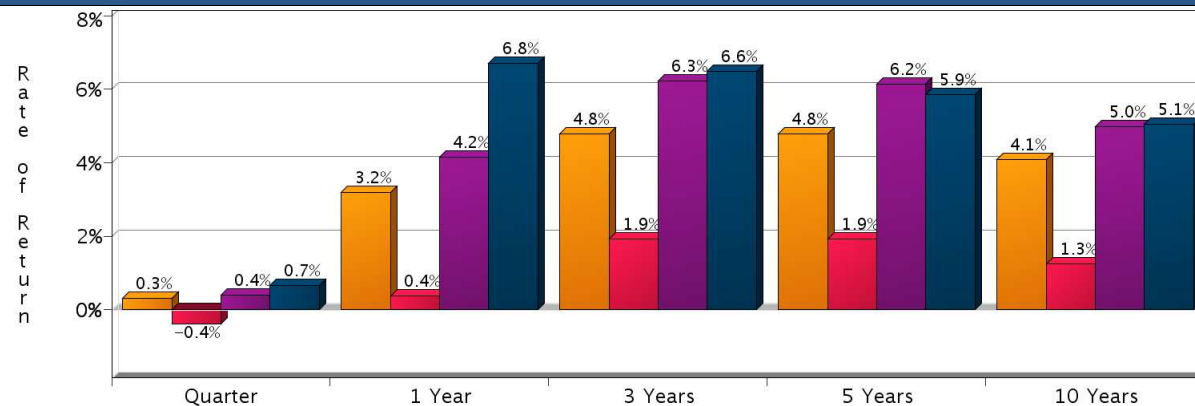
*Total may not equal 100% due to rounding.

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



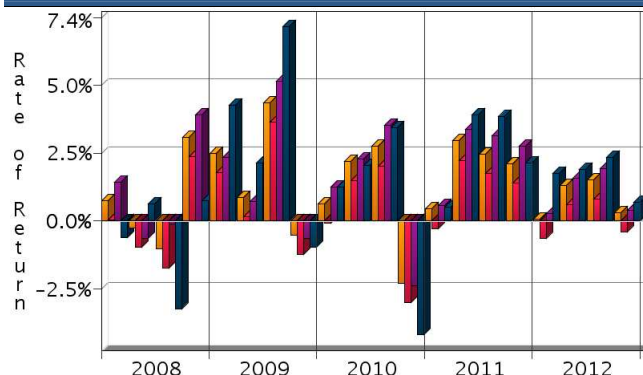
	STD	ROR
ING (Gross)	3.21	4.84
ING (Net)	3.20	1.94
BC Muni 7 Yr	3.63	6.21
S&P 500	21.81	1.66
BC Muni	5.10	5.91
90-Day T-Bills	0.28	0.33

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



INVESTMENT RESULTS	Annual Rates of Return (%)										10 Year - Ending 12/31/12	
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Annualized	Std. Dev.
ING (Gross)	5.22	2.61	1.36	3.43	4.61	2.49	7.27	3.22	8.14	3.24	4.14	3.05
ING (Net)	2.32	-0.24	-1.46	0.56	1.73	-0.36	4.32	0.36	5.13	0.38	1.26	3.05
BC Muni 7 Yr	5.45	3.15	1.72	3.98	5.06	4.59	7.61	4.63	10.14	4.20	5.03	3.33
BC Muni	5.32	4.48	3.51	4.84	3.36	-2.48	12.92	2.38	10.70	6.78	5.10	4.13

RISK VOLATILITY



	Number Of	Up Qtrs.	Down Qtrs.
ING (Gross)	16	4	
ING (Net)	12	8	
BC Muni 7 Yr	16	4	
BC Muni	16	4	

PORTFOLIO'S QUARTERLY RETURNS (%)

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2003	0.89	0.18	3.20	2.50	0.21	-0.49	0.85	0.14
2004	1.15	0.44	-2.10	-2.80	2.95	2.24	0.65	-0.06
2005	-1.17	-1.88	2.49	1.78	-0.46	-1.16	0.53	-0.18
2006	-0.20	-0.90	-0.45	-1.16	3.03	2.32	1.04	0.34
2007	0.81	0.10	-0.52	-1.22	2.52	1.82	1.75	1.04
2008	0.74	0.04	-0.25	-0.96	-1.03	-1.74	3.05	2.34
2009	2.48	1.78	0.86	0.16	4.32	3.62	-0.52	-1.22
2010	0.64	-0.06	2.17	1.46	2.73	2.01	-2.29	-2.98
2011	0.44	-0.27	2.93	2.22	2.44	1.73	2.10	1.38
2012	0.08	-0.62	1.31	0.61	1.51	0.80	0.31	-0.39

Related Fiduciary Services

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

	3 Year	5 Year
Standard Deviation	2.94%	3.21%
Standard Deviation of Primary Benchmark	3.36%	3.63%
Sharpe Ratio	1.61	1.40
Sharpe Ratio of Primary Benchmark	1.85	1.62
Alpha	-0.62%	-0.60%
Beta	0.87	0.87
Downside Risk	0.92%	1.02%
R-Squared	0.99	0.96
Tracking Error	0.56%	0.79%
Information Ratio	-2.59	-1.73

PORTFOLIO DIVERSIFICATION - R² (10 YEARS ENDING 12/12)*

	R ²
ING vs. BC Muni 7 Yr	0.97
ING vs. BC Muni	0.81

*Statistics are calculated using gross of fee performance only.

1. Statistics are calculated using gross of fee performance only.
2. BC Muni 7 Yr 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.

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 managers 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 managers 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:

ING Investment Management Co., LLC's (ING) intermediate term municipal fixed income performance represents a composite of all fully discretionary individual and institutional fixed income accounts with comparable investment objectives. In addition to managing National Municipal Fixed Income portfolios, ING will create state-specific portfolios in California, Connecticut, Florida, Illinois, Michigan, New Jersey, New York, Ohio, Pennsylvania, Texas and Washington. However, for accounts of over \$1 million, ING will accept additional states as "state-specific" and for accounts under \$1 million as "state-preferred" in Alabama, Georgia, Massachusetts, North Carolina, South Carolina and Virginia. With respect to these guidelines, ING will make exceptions on a case-by-case basis by the portfolio managers. The vast majority of the accounts contained in ING's composite shown are state-specific.

Fiduciary Services Performance:

In this profile, the performance from 7/1/2011 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.

Municipal Fixed Income Account (Gross): ING's gross results do not reflect a deduction of the investment advisory fees charged by ING, 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 0.705% (equivalent to an annual fee of 2.82%).

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 Series 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.

BC Muni

The Barclays Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and must be at least one year from their maturity date. Remarketed issues, taxable municipal bonds, bonds with floating rates, and derivatives, are excluded from the benchmark. The index has four main sectors: general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and prerefunded bonds. Most of the index has historical data to January 1980. In addition, subindices have been created based on maturity, state, sector, quality, and revenue source, with inception dates later than January 1980.

BC Muni 7 Yr

The Barclays Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. This index is the 7 Year (6-8) component of the Municipal Bond index.

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.