

## Large Capitalization Value Equity Investments (TLVUX)

### Portfolio's Investment Objective

Large Capitalization Value Equity Investments (the "Portfolio") seeks total return consisting of capital appreciation and dividend income.

### Sub-Advisor Target Allocation

30% Cambiar Investors, LLC ("Cambiar")

30% NFJ Investment Group L.P. ("NFJ")

*The allocations shown are target allocations and may not reflect the Portfolio's current allocations.*

30% HGK Asset Management ("HGK")

10% Artisan Partners Limited Partnership ("Artisan")

### Firm Profile and Advisor's Investment Process

#### Cambiar Investors, LLC

Location: Denver, Colorado

Year Registered: 1970

- **Disciplined, Relative-Value**—Cambiar's portfolios typically consist of 35 to 40 issues of securities that they feel are undervalued with strong financial and business characteristics. Industry specific analysts initially look for companies with a market capitalization of \$3 billion or more that are undervalued relative to their peer group based on conventional financial criteria such as price-to-earnings, price-to-book and price-to-cash flow. Because different industries have different long-term prospects, a relative-value approach gives the team the flexibility to look at a wide range of possible investments and to use the appropriate valuation criteria.
- **Detailed, Independent Analysis**—Cambiar performs an analysis of a company's future prospects, often focusing on specific products or business initiatives. The team looks to uncover catalysts that can unlock the valuation potential of the securities such as new product introductions, corporate reorganization or improved financial performance. They also focus on companies that are leaders, offering strong brands or valuable and unique intellectual property.
- **Bottom-Up, Fundamental Stock-Picking**—Cambiar focuses attention to individual companies that meet its investment criteria. The Portfolio is not modeled to reflect the weighting of the sectors in the Russell 1000 Value or S&P 500. Therefore, sector weightings will fluctuate over time. Cambiar looks for attractive relative valuations and overall attractive situations at the company level. They are, however, cognizant of sector weightings in the indices and place restrictions on the Portfolio at the sector level so as not to take sector risk in the Portfolio.

#### HGK Asset Management

Location: Jersey City, New Jersey

Year Registered: 1983

- **Equity Investment Philosophy**—HGK's equity investment philosophy employs a value orientated bottom up approach. HGK seeks to invest in companies with improving cash flow return on investment that are selling below the present value of their discounted cash flows. HGK's philosophy also emphasizes reduced volatility of returns, which may be caused by the rapid flow of investments into and out of particular market sectors. Thus, HGK maintains exposure to all major industry sectors comprising the historical median of the Russell 1000 Value.
- **Stock Selection**—Select stocks based on valuation and fundamental drivers. At this stage in the security selection process, HGK culls through the results of its proprietary screens. The equity team will become intimately familiar with the business' value drivers, managements, and forward looking corporate strategies. HGK searches for red flags and seeks undervalued stocks with a track record of strong management teams that understand the tenets of creating economic value for shareholders.
- **Determining Sectors and Weightings**—Determine economic sector and industry weightings based on macroeconomic conditions and sector and industry intrinsic valuation dislocations. At this stage of the process, HGK steps back and looks at the market and sectors as a whole. In order for HGK to take a maximum overweight position in any sector or industry, there must be conviction at both a macro level and at a valuation level. Conversely, in order to have a maximum underweight would require negative conviction at a macro level and poor valuations.

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### Firm Profile and Advisor's Investment Process (continued)

#### NFJ Investment Group L.P.

Location: Dallas, TX

Year Registered: 1989

- **Portfolio Composition**—NFJ maintains portfolios of approximately 35-45 positions ranging from \$2 billion in market capitalization, or greater, at the time of purchase. Holdings generally have price-to-earnings valuations less than the overall equity market and less than their respective peer group. All positions must pay a dividend at the time of purchase. The Portfolio is broadly diversified by economic sector and industry groups. Holdings are periodically rebalanced to 2 or 4% weighted position sizes.
- **Quantitative Models**—Other fundamental valuation measures are also used where appropriate. NFJ employs selective quantitative models that complement the emphasis on value style and aid in investment timing. These models provide information on analyst estimate revisions, changes in financial condition of the company, price momentum and other valuation characteristics.
- **Security Universe**—The selection universe usually consists of approximately 500 companies that meet capitalization, valuation, dividend and trading liquidity parameters. Positions become sell candidates when their individual characteristics are no longer consistent with these parameters.

#### Artisan Partners Limited Partnership

Location: Milwaukee, WI

Year Registered: 1995

The Artisan Mid-Cap Value strategy employs a bottom-up investment process to construct a diversified portfolio of U.S. mid-cap value companies that Artisan's mid-cap value investment team believes are undervalued, in solid financial condition and have attractive business economics. The team believes companies with these characteristics are less likely to experience eroding values over the long-term.

- **Attractive Valuation**—The team values a business using what it believes are reasonable expectations for the long-term earnings power and capitalization rates of that business. This results in a range of values for the company that the team believes would be reasonable. The team generally will purchase a security if the stock price falls below or toward the lower end of that range.
- **Sound Financial Condition**—The team favors companies with an acceptable level of debt and positive cash flow, which it believes represents financial flexibility and strength. At a minimum, the team does not want a company's debt to impede the ability of management to make decisions that would be in the best interest of the companies' shareholders.
- **Attractive Business Economics**—The team favors cash-producing businesses that it believes are capable of earning acceptable returns on capital over the company's business cycle.

### Investment Risks

Your investment in the Portfolio is subject to risks associated with investing in equity securities generally, including the fact that large-cap or value stocks may fall out of favor with investors. The Portfolio can also invest in issuers of a broad range of market capitalizations. To the extent the Portfolio invests in companies at the lower end of such range, such medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies.

*Investors should consider the Portfolio's investment objectives, risk, charges and expenses carefully before investing. The prospectus contains this and other information about the Portfolio. To obtain a free prospectus, please call your Financial Advisor. Please read the prospectus carefully before investing.*

Each of the Portfolios is available only to investors participating in an advisory program. These programs charge an annual fee, which in the case of TRAK may be up to 2.0%.

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