

Legg Mason

620 8th Ave 49th Floor
New York, New York 10018

Style: Large Cap Growth

Firm Assets Under Management: —

Firm Strategy Assets Under Management: —

Year Founded: 1899

Professional Staff: —

Firm Ownership: No Firm Ownership Selected

CG IAR Status: Not Applicable

PRODUCT OVERVIEW

Growth Equity seeks to provide investors with long-term growth of capital through ownership of a portfolio of undervalued securities with market capitalizations generally greater than \$10 billion at the time of purchase, targeting those companies that exhibit above average economic growth, possess a sustainable long-term competitive position, and have solid management teams and shareholder-friendly corporate governance practices. The style is primarily bottom up and relies heavily on fundamental research. It is well documented that very few active, large cap managers outperform the market over an extended period of time. After carefully studying this small minority of successful managers, we found that they share some common attributes: low portfolio turnover, a greater degree of portfolio concentration, a value-conscious investment style, and a greater propensity to be located outside of the major financial centers of New York and Boston, where managers' perspectives may become susceptible to herd influences. The investment approach of our Growth Equity product shows similar characteristics. We are committed to a long-term investment horizon with low turnover and run focused portfolios with balanced exposure to risk and return. We optimize the expected value of portfolios by weighting securities by expected return, building the largest concentrations in positions that are priced at the greatest discount to our assessment of their intrinsic value. We believe such an investment approach best positions us to deliver superior risk-adjusted returns over the long run.

TARGET PORTFOLIO CHARACTERISTICS

Number of stock holdings:	—
Average dividend yield:	—
P/E ratio:	—
Cash level over market cycle:	—
Risk (standard deviation):	—
Average turnover rate:	—
Use ADRs:	—
Capitalization:	Large, Medium and Small 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.

PORTFOLIO STATISTICS

	-----06/11-----			12/10
	Legg Mason	R1000 Gr	S&P 500 Index	Legg Mason
Number of stock holdings	—	591	500	—
Weighted average dividend yield	1.3%	1.4%	2.0%	—
Weighted average P/E ratio ¹	20.00x	17.91x	14.79x	—
Weighted average portfolio beta	—	1.01	1.01	—
Mega capitalization ⁺	0.0%	27.8%	33.8%	0.0%
Large capitalization ⁺	0.0%	46.5%	51.8%	0.0%
Medium capitalization ⁺	0.0%	24.8%	14.1%	0.0%
Small capitalization ⁺	0.0%	0.9%	0.2%	0.0%
Micro capitalization ⁺	0.0%	0.0%	0.0%	0.0%

PORTFOLIO'S EQUITY SECTOR WEIGHTINGS ^{*}

Sector	-----06/11-----			12/10
	Legg Mason	R1000 Gr	S&P 500 Index	Legg Mason
Energy	9.40	11.57	12.67	0.00
Materials	4.00	5.99	3.66	0.00
Industrials	12.00	13.48	11.25	0.00
Consumer Discretionary	7.00	14.02	10.65	0.00
Consumer Staples	9.20	11.83	10.64	0.00
Health Care	16.20	10.93	11.71	0.00
Financials	8.90	3.98	15.15	0.00
Information Technology	33.30	26.97	17.79	0.00
Telecomm Services	0.00	1.15	3.09	0.00
Utilities	0.00	0.08	3.38	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
 0 Industry or sector weighting
 0 Stock Selection

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

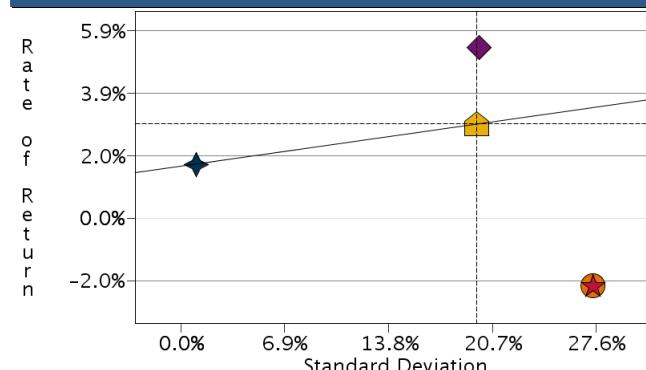
	06/11	03/11	12/10	09/10
	100	0	0	0
U.S. Stocks				
Cash/Cash Equivalents	0	0	0	0

PORTFOLIO'S TOP FIVE EQUITY HOLDINGS

	%
Adobe Systems, Inc	4.3
Celgene Corporation	4.1
EMC Corporation	4.1
Consol Energy Inc	4.1
Apple Inc	3.5

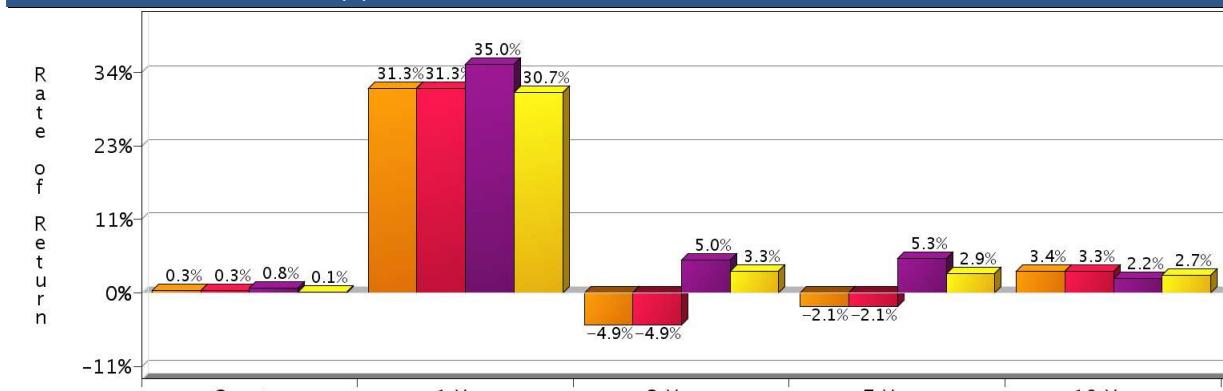
¹The P/E used here is calculated by the harmonic mean.^{*}Total may not equal 100% due to rounding.

RISK/RETURN ANALYSIS – 5 YEARS ENDING 06/30/11

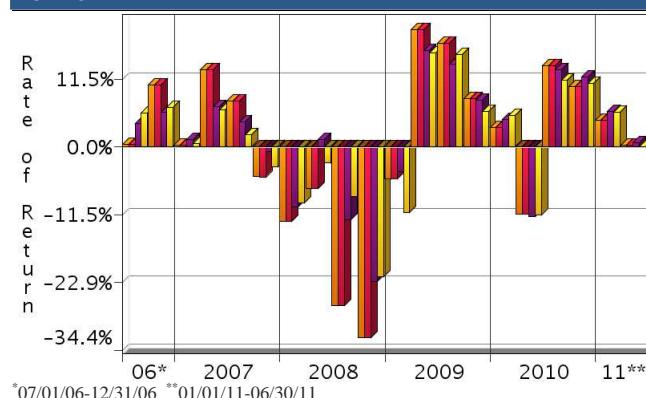


	STD	ROR
Legg Mason (Gross)	27.44	-2.10
Legg Mason (Net)	27.44	-2.13
Russell 1000 Growth Index	19.88	5.33
S&P 500 Index	19.70	2.94
90-Day T-Bills	1.01	1.69

AVERAGE ANNUAL TOTAL RETURN (%) – PERIODS ENDING 06/30/11



RISK VOLATILITY



*07/01/06-12/31/06 **01/01/11-06/30/11

	Number Of	Up Qtrs.	Down Qtrs.
Legg Mason (Gross)	13	7	
Legg Mason (Net)	13	7	
Russell 1000 Growth Index	14	6	
S&P 500 Index	13	7	

INVESTMENT RESULTS

	Annual Rates of Return (%)						2008	2009	2010	10 Year - Ending 06/30/11	Annualized Std. Dev.
	2001	2002	2003	2004	2005	2006					
Legg Mason (Gross)	-4.79	-7.32	66.33	9.42	4.40	2.20	15.99	-59.72	44.16	14.75	3.36
Legg Mason (Net)	-4.81	-7.34	66.29	9.39	4.38	2.17	15.97	-59.73	44.12	14.72	3.33
Russell 1000 Growth Index	-20.42	-27.89	29.75	6.30	5.26	9.07	11.81	-38.44	37.21	16.71	2.24
S&P 500 Index	-11.88	-22.10	28.68	10.88	4.91	15.80	5.49	-37.00	26.46	15.06	2.72

PORTFOLIO'S QUARTERLY RETURNS (%)

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2001	-7.39	-7.39	7.81	7.80	-23.13	-23.14	24.07	24.06
2002	-2.25	-2.25	-16.52	-16.53	-6.90	-6.90	21.99	21.99
2003	3.51	3.50	31.50	31.49	6.11	6.10	15.17	15.16
2004	-0.95	-0.96	4.59	4.58	-9.59	-9.60	16.83	16.82
2005	-11.38	-11.38	5.75	5.74	5.07	5.06	6.03	6.02
2006	0.22	0.22	-8.07	-8.08	0.44	0.43	10.44	10.43
2007	0.31	0.30	13.06	13.05	7.71	7.70	-5.04	-5.05
2008	-12.61	-12.62	-7.06	-7.07	-26.81	-26.81	-32.24	-32.24
2009	-5.41	-5.42	19.85	19.85	17.57	17.56	8.16	8.16
2010	3.33	3.32	-11.32	-11.32	13.70	13.69	10.14	10.13
2011	4.52	4.51	0.34	0.33				

Related Select UMA

PORTFOLIO DIVERSIFICATION - R² (10 YEARS ENDING 06/11)[†]

	R ²
Legg Mason vs. S&P 500 Index	0.80
Legg Mason vs. Russell 1000 Growth Index	0.86

†Statistics are calculated using gross of fee performance only.

PORTFOLIO'S RISK STATISTICS – PERIODS ENDING 06/30/11^{1,2}

	3 Year	5 Year
Standard Deviation	33.06%	27.44%
Standard Deviation of Primary Benchmark	24.66%	19.88%
Sharpe Ratio	-0.16	-0.14
Sharpe Ratio of Primary Benchmark	0.19	0.18
Alpha	-9.26%	-6.96%
Beta	1.31	1.32
Downside Risk	10.58%	9.34%
R-Squared	0.96	0.92
Tracking Error	10.35%	10.00%
Information Ratio	-0.96	-0.74

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

2. Russell 1000 Growth Index 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 June 30, 2011, 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 Smith Barney Fiduciary Services program accounts in the Morgan Stanley channel or the Smith Barney channel, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. 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:

The Growth Equity composite is comprised of discretionary accounts with no material investment restrictions, which invest primarily in domestic equity securities with market capitalizations generally greater than \$5 billion at the time of purchase, targeting those companies that exhibit above average economic growth and possess a sustainable long-term competitive position. As of October 1, 2005, the composite includes accounts with a minimum market value of \$10 million. From May 1, 2004 through September 30, 2005, the composite contains only accounts with a minimum market value of \$25 million. Prior to that date, the composite did not maintain a minimum market value requirement. Neither leverage nor derivatives are used in this composite. No balanced portfolio segments are included in this composite. Gross and net of fee performance results for Growth Equity: (a) include the reinvestment of all dividends, interest, and capital gains; and (b) were computed on a trade date (as opposed to a settlement date) basis. Prior to January 1, 2005, accounts in the Growth Equity composite were under management for at least three full months before being included. New discretionary accounts starting after January 1, 2005 are eligible to join the composite after one full month of performance. "Weighted" performance measures the average performance of all portfolios in the composite weighted by size. The U.S. dollar is the currency used to express performance. Effective August 1, 2005, portfolio returns are calculated daily using the Modified Dietz method. Previously, portfolio returns were calculated monthly using the Modified Dietz method. Additional information regarding policies for calculating and reporting returns is available upon request. The "gross" of fees performance figures reflect the day-weighted performance of assets (including cash reserves) managed for the period and do not reflect the deduction of our advisory fees, but do reflect the deduction of trading commissions, custodial fees, and withholding taxes. The "net" of fees performance figures reflect the deduction of trading commissions, custodial fees, and withholding taxes and, as of January 2005, represent the highest investment advisory fee payable by Growth Equity separate accounts according to our fee schedule. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The following is our graduated fee schedule for a Growth Equity separate account: 0.75% on the first \$25 million under management; 0.65% on the next \$25 million under management; 0.45% on the next \$50 million under management; 0.40% on the next \$50 million under management; 0.35% on the next \$50 million under management; 0.30% for remaining amounts over \$200 million under management. Non-fee paying accounts are excluded from the composite. The dispersion of annual returns is measured by the standard deviation of asset-weighted portfolio returns

represented within the composite for the full calendar year. The Growth Equity composite was created May 1, 2004. Prior to that date, returns of the Legg Mason Growth Fund are used. Although the Growth Equity style inceptioned in 1995, it was not under management by Legg Mason Capital Management until June 1998. At that time, the portfolio manager of the Growth Equity style joined Legg Mason Capital Management. Legg Mason Capital Management ("LMCM" or "the Firm") consists of two legal entities doing business under the LMCM name: Legg Mason Capital Management, Inc. ("LMCI") and LMM LLC ("LMM"). LMCI and LMM are subsidiaries of Legg Mason, Inc. This piece is intended solely for current or prospective investment management clients of LMCM, is for informational purposes only, and should not be construed as a research report, a recommendation, or an offer to buy or sell any security referred to herein, including any mutual fund managed by LMCM.

Select UMA Performance:

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

Net Performance for all Periods: Net performance results reflect a deduction of .725% quarterly. This consists of three components: 0.625% maximum quarterly MSSB Advisory Fee and 0.03% maximum quarterly Program Overlay Fee (which, together cover the services provided by Morgan Stanley Smith Barney), plus .07% quarterly SMA Manager Fees (being the fee currently charged by Legg Mason 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 Smith Barney program fees are usually deducted quarterly, and have a compounding effect on performance. The Morgan Stanley Smith Barney program fee, which differs among programs and clients, is described in the applicable Morgan Stanley Smith Barney ADV brochure, which is available at www.smithbarney.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 Smith Barney 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 Smith Barney or elsewhere, and may cost an investor more or less than this strategy in Morgan Stanley Smith Barney'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 Smith Barney 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.

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 1000 Growth Index

The Russell 1000 Growth Index is representative of the U.S. market for large capitalization stocks containing those companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth.

S&P 500 Index

Widely regarded as the best single gauge of the U.S. equities market, this world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, it is also an ideal proxy for the total market.

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 (\$50.0 billion and Above), Large (\$11.0 - \$50.0 billion), Medium (\$2 - \$11.0 billion), Small (\$500m - \$2 billion) and Micro (below \$500 million).

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.