

Morgan Stanley Institutional Fund

Multi-Asset Portfolio

Investment Objective: Seeks total return with an emphasis on positive absolute return and controlling downside portfolio risk.

Investment Approach: Using a top-down, unconstrained approach, the Global Multi-Asset team focuses on global macro and thematic investments across equities, fixed income, FX and commodities. The team invests in opportunities at the asset class, country, sector and thematic levels, rather than concentrating on individual security selection.

Class I Shares (% net of fees) vs. Index

Performance of 10,000 USD Invested Since Inception (Cash Value (\$))



JOINED INVESTMENT FIRM EXPERIENCE

Investment Team	JOINED INVESTMENT FIRM	EXPERIENCE
Cyril Mouillé-Berteaux	2011*	29 Years
Sergei Parmenov	2011*	24 Years
Mark Bavoso	1986	37 Years

Team members may be subject to change at any time without notice.

* Date rejoined.

Investment Performance (% net of fees) in USD

	Cumulative (%)			Annualized (% p.a.)			
	1Q20	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	-12.83	-12.83	-12.01	-4.18	-5.13	--	-0.74
ICE BofA/Merrill Lynch U.S. Dollar 1-Month LIBID Average Index	0.36	0.36	1.94	1.75	1.17	--	0.78
Blended Index	-13.29	-13.29	-4.94	2.46	2.72	--	4.67
Calendar Year Returns (%)	2019	2018	2017	2016	2015	2014	2013
Class I Shares	1.05	-0.32	-0.72	-2.75	-10.60	0.77	18.24
ICE BofA/Merrill Lynch U.S. Dollar 1-Month LIBID Average Index	2.18	1.91	0.98	0.36	0.10	0.08	0.10
Blended Index	18.55	-6.00	16.45	5.81	-3.51	1.62	11.91

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit morganstanley.com/im or call 1-800-548-7786. Investment returns and principal value will fluctuate and fund shares, when redeemed, may be worth more or less than their original cost.

Performance and fund information is as of March 31, 2020, unless otherwise noted. Returns are net of fees and assume the reinvestment of all dividends and income. Returns for less than one year are cumulative (not annualized). Performance of other share classes will vary.

The Blended Index performance is a performance-linked benchmark of the old and new benchmark of the Portfolio, the old represented by 60% MSCI All-Country World Index, 30% Bloomberg Barclays Global Aggregate Bond Index, 5% S&P GSCI Light Energy Index and 5% ICE BofA Merrill Lynch US Dollar 1-Month LIBID Average Index from inception through May 31, 2017, and the new Blended Index which consists of 60% MSCI All-Country World Index and 40% Bloomberg Barclays Global Aggregate Bond Index for periods thereafter.

Growth of Investment illustration is based on an initial investment of \$10,000 made since fund inception, assumes reinvestment of dividends and capital gains and application of fees, but does not include sales charges. Performance would have been lower if sales charges had been included. Results are hypothetical.

Expense Ratios	SYMBOL	CUSIP	GROSS (%)	NET (%)
Class A	MMPPX	61760X851	2.21	1.45
Class C	MSMEX	61760X349	4.57	2.20
Class I	MMPIX	61760X877	1.78	1.10
Class IS	MSPMX	61760X257	24.87	1.07

Where the net expense ratio is lower than the gross expense ratio, certain fees have been waived and/or expenses reimbursed. These waivers and/or reimbursements will continue for at least one year from the date of the applicable fund's current prospectus (unless otherwise noted in the applicable prospectus) or until such time as the fund's Board of Directors acts to discontinue all or a portion of such waivers and/or reimbursements. Absent such waivers and/or reimbursements, returns would have been lower. Expenses are based on the fund's current prospectus. The minimum initial investment is \$5,000,000 for Class I shares.

Morningstar Category: Multialternative
lipper Category: Alternative Global Macro

Morningstar Rankings - Class I

PERCENTILE	RANK/TOTAL IN CATEGORY
1 YR	81 250/304
3 YR	87 208/238
5 YR	95 178/191

Source: Morningstar, Inc. Rankings are based on total returns, are historical and do not guarantee future results.

Fund Facts

Inception date	June 22, 2012
Total net assets	\$ 20.64 million
Primary benchmark ¹	ICE BofA/Merrill Lynch U.S. Dollar 1-Month LIBID Average Index
Custom benchmark ²	Blended Index

Statistics (3 Year Annualized)

CLASS I
Beta to global equities ³
Return (Annualized)
Sharpe ratio
Volatility (%)

Asset Allocation (% of Total Net Assets)

	NET EXPOSURE ⁴	GROSS EXPOSURE ⁵
Adjusted Global Equity ⁶	17.86	38.68
Global Equity	27.86	48.68
Developed Markets	27.65	48.47
U.S. & Canada	26.77	35.65
Europe	0.47	4.85
Japan	0.41	7.97
Asia ex-Japan	--	--
Emerging Markets	0.21	0.21
Global Fixed Income	-32.29	46.46
Developed Markets	-39.35	39.41
U.S. & Canada	-32.51	32.58
Europe	-6.83	6.83
Japan	--	--
Asia ex-Japan	--	--
Emerging Markets	7.05	7.05
Commodities	6.24	6.24
Volatility	2.46	2.46
Total Exposure	79.24	115.23

Currency Exposure (% of Total Net Assets)[#]

FUND
Developed Markets
U.S. & Canada
Europe
Japan
Asia ex-Japan
Emerging Markets

**Top Thematic Equity Pairs
(% of Total Net Assets)**

	GROSS LONG	GROSS SHORT	NET
Long U.S. Equities	15.99	--	15.99
Long Japan Real Estate / Short Japan Equities	3.81	-3.81	--
Long Global Equities	3.18	--	3.18
Long U.S. Housing / Short U.S. Equities	3.01	-3.01	--
Long U.S. Value Equities / Short U.S. Anti-Value Equities	1.95	-1.95	--
Long U.S. Value Equities / Short Low-Volatility Equities	1.95	-1.95	--
Long U.S. Airlines / Short U.S. Equities	1.93	-1.93	--
Long Eurozone Value Equities / Short Low-Volatility Equities	1.88	-1.88	--
Long U.S. Banks / Short U.S. Equities	1.20	-1.20	--
Total Exposure	34.90	-15.73	19.17

**Top Holdings - Fixed Income
(% of Total Net Assets)**

	RATING	GROSS LONG	GROSS SHORT	NET
Short U.S. 30-Year Treasury	NR	--	-30.82	-30.82
Long U.S. 10-Year Inflation Swaps : OW U.S. TIPS / UW U.S. 10-Year Treasuries	NR	9.94	-9.94	--
Long Greek 10-Year Bonds / Short Italy 10-Year Bunds	B+ / NR	6.61	-6.61	--
Long Argentina 10-Yr Bonds / Short U.S. 10-Yr Treasuries and Emerging Markets Credit Default Swaps	B / NR	0.38	-1.08	0.70
Total Exposure	-	16.93	-48.45	-30.12

May not sum to 100% due to rounding.

This material is a general communication, which is not impartial and all information provided has been prepared solely for informational and educational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The information herein has not been based on a consideration of any individual investor circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

Past performance is not indicative of future results. Subject to change daily. Fund information is provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security or securities in the sectors and countries that may be presented.

Index data displayed under characteristics and allocations are calculated using MSIM and/or other third-party methodologies and may differ from data published by the vendor.

DEFINITIONS: Beta is a measure of the relative volatility of a security or portfolio to the market's upward or downward movements. **Sharpe ratio** is a risk-adjusted measure calculated as the ratio of excess return to standard deviation. **Volatility** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value.

INDEX INFORMATION: (1) The ICE BofA/Merrill Lynch U.S. Dollar 1-Month LIBID

Average Index tracks the performance of a basket of synthetic assets paying LIBID to a stated maturity.

(2) Effective May 31, 2017 - The composition of the Customized Morgan Stanley Investment Management ("MSIM") Global Allocation Index, the secondary benchmark index of the Portfolio, has changed from 60% MSCI All Country World Index, 30% Bloomberg Barclays Global Aggregate Bond Index, 5% S&P GSCI Light Energy Index and 5% ICE BofA/Merrill Lynch U.S. Dollar 1-Month LIBID Average Index to 60% MSCI All Country World Index and 40% Bloomberg Barclays Global Aggregate Bond Index.

(3) Global equities is represented by the MSCI All Country World Index

Indexes are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an index.

RISK CONSIDERATIONS: There is no assurance that a portfolio will achieve its investment objective. Portfolios are subject to market risk, which is the possibility that the market values of securities owned by the portfolio will decline and that the value of portfolio shares may therefore be less than what you paid for them. Market values can change daily due to economic and other events (e.g. natural disasters, health crises, terrorism, conflicts and social unrest) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g. portfolio liquidity) of events. Accordingly, you can lose money investing in this portfolio. Please be aware that this portfolio may be subject to certain additional risks. In general, **equity securities**' values also fluctuate in response to activities specific to a company. Stocks of **small-and medium-capitalization** companies entail special risks, such as limited product lines, markets and financial resources, and greater market volatility than securities of larger, more established companies. **Fixed-income securities** are subject to the ability of an issuer to make timely principal and interest payments (**credit risk**), changes in interest rates (**interest-rate risk**), the creditworthiness of the issuer and general market liquidity (**market risk**). In a rising interest-rate environment, bond prices may fall and may result in periods of volatility and increased portfolio redemptions. In a declining interest-rate environment, the portfolio may generate less income. **Longer-term securities** may be more sensitive to interest rate changes. **High yield securities ("junk bonds")** are lower rated securities that may have a higher degree of credit and liquidity risk. **Mortgage- and asset-backed**

securities (MBS and ABS) are sensitive to early prepayment risk and a higher risk of default and may be hard to value and difficult to sell (liquidity risk). They are also subject to credit, market and interest rate risks. Certain **U.S. government securities** purchased by the Portfolio, such as those issued by Fannie Mae and Freddie Mac, are not backed by the full faith and credit of the United States. It is possible that these issuers will not have the funds to meet their payment obligations in the future. **Sovereign debt securities**. The issuer or governmental authority that controls the repayment of sovereign debt may not be willing or able to repay the principal and/or pay interest when due in accordance with the terms of such obligations. Investments in **foreign markets** entail special risks such as currency, political, economic, and market risks. The risks of investing in **emerging market countries** are greater than risks associated with investments in foreign developed countries. **Real estate investment trusts** are subject to risks similar to those associated with the direct ownership of real estate and they are sensitive to such factors as management skills and changes in tax laws. **Illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). **Derivative instruments** can be illiquid, may disproportionately increase losses and may have a potentially large negative impact on the Portfolio's performance. Trading in, and investment exposure to, the **commodities markets** may involve substantial risks and subject the Portfolio to greater volatility. **Non diversified portfolios** often invest in a more limited number of issuers. As such, changes in the financial condition or market value of a single issuer may cause greater volatility. By investing in **investment company securities**, the portfolio is subject to the underlying risks of that investment company's portfolio securities. In addition to the Portfolio's fees and expenses, the Portfolio generally would bear its share of the investment company's fees and expenses. **Subsidiary and tax risk** The Portfolio may seek to gain exposure to the commodity markets through investments in the Subsidiary or commodity index-linked structured notes. The Subsidiary is not registered under the 1940 Act and is not subject to all the investor protections of the 1940 Act. Historically, the Internal Revenue Service ("IRS") has issued private letter rulings in which the IRS specifically concluded that income and gains from investments in commodity index-linked structured notes or a wholly-owned foreign subsidiary that invests in commodity-linked instruments are "qualifying income" for purposes of compliance with Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). The Portfolio has not received such a private letter ruling, and is not able to rely on private letter rulings issued to other taxpayers. If the Portfolio failed to qualify as a regulated investment company, it would be subject to federal and state income tax on all of its taxable income at regular corporate tax rates with no deduction for any distributions paid to shareholders, which would significantly adversely affect the returns to, and could cause substantial losses for, Portfolio shareholders. **Privately placed and restricted securities** may be subject to resale restrictions as well as a lack of publicly available information, which will increase their illiquidity and could adversely affect the ability to value and sell them (liquidity risk).

Morningstar: Rankings and/or ratings as of March 31, 2020. **Rankings:** The percentile rankings are based on the average annual total returns for the periods stated and do not include any sales charges, but do include reinvestment of dividends and capital gains and Rule 12b-1 fees. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1.

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OTHER CONSIDERATIONS: (4) Net exposure % calculated as $[(\text{MV of long cash security and derivative positions}) - (\text{absolute value of MV in short derivative positions})]/(\text{portfolio MV})$

(5) Gross exposure % calculated as $[(\text{MV of long cash security and derivative positions}) + (\text{absolute value of MV in short derivative positions})]/(\text{portfolio MV})$
Fixed income net and gross exposure is duration adjusted (U.S. Treasury 10-Year equivalents).

(6) Adjusted Global Equity line excludes our 10.0% position in the U.S. equities (S&P 500) futures, which hedges our 2.5% position in the U.S. equity volatility (VIX) futures. Security ratings disclosed above have been obtained from Standard & Poor's Ratings Group ("S&P"). S&P's credit ratings express its opinion about the ability and willingness of an issuer to meet its financial obligations in full and on time. 'AAA' is the highest rating. Any rating below 'BBB-' rating is considered non-investment grade. Ratings are relative and subjective and are not absolute standards of quality. Ratings apply only to the underlying holdings of the portfolio and does not remove market risk. "NR" or "Not Rated" indicates that no rating has been requested, that there is insufficient information on which to base a rating, or that S&P does not rate a particular obligation as a matter of policy. Futures are not rated.

Please consider the investment objective, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. To obtain a prospectus, download one at morganstanley.com/im or call 1-800-548-7786. Please read the prospectus carefully before investing.

Morgan Stanley Investment Management (MSIM) is the asset management division of Morgan Stanley.