

# Consulting Group Capital Markets Funds

Equity Monthly Performance – March 2017

	One Month	Trailing 3 Months	Year-to-Date	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Trailing 10 Years	Inception Date
<b>Large Cap Equity Fund (Gross)<sup>1</sup></b>	<b>0.22%</b>	<b>6.28%</b>	<b>6.28%</b>	<b>16.55%</b>	<b>8.90%</b>	<b>11.99%</b>	<b>8.06%</b>	<b>11/18/1991</b>
Large Cap Equity Fund (Net) <sup>1</sup>	0.22	5.63	5.63	13.69	6.21	9.24	5.40	
Russell 1000 Index	0.06	6.03	6.03	17.43	9.99	13.26	7.58	
Russell 1000 Growth Index	1.16	8.91	8.91	15.76	11.27	13.32	9.13	
Lipper Large-Cap Core Funds Average	0.02	5.51	5.51	15.89	8.26	11.77	6.62	
Lipper Large-Cap Growth Funds Average	1.24	9.29	9.29	14.56	9.18	11.60	7.94	
<b>Small-Mid Cap Equity Fund (Gross)<sup>2</sup></b>	<b>0.32%</b>	<b>5.12%</b>	<b>5.12%</b>	<b>19.62%</b>	<b>3.03%</b>	<b>9.89%</b>	<b>6.68%</b>	<b>11/18/1991</b>
Small-Mid Cap Equity Fund (Net) <sup>2</sup>	0.32	4.48	4.48	16.68	0.43	7.15	4.03	
Russell 2500 Index	-0.07	3.76	3.76	21.53	7.43	12.60	7.71	
Russell 2000 Growth Index	1.18	5.35	5.35	23.03	6.72	12.10	8.06	
Lipper Small-Cap Core Funds Average	-0.04	1.87	1.87	21.99	6.24	11.37	6.77	
Lipper Small-Cap Growth Funds Average	1.05	5.81	5.81	22.09	5.02	10.49	7.24	
<b>International Equity Fund (Gross)</b>	<b>3.89%</b>	<b>8.09%</b>	<b>8.09%</b>	<b>9.85%</b>	<b>-0.02%</b>	<b>3.98%</b>	<b>0.67%</b>	<b>11/18/1991</b>
International Equity Fund (Net)	3.89	7.44	7.44	7.17	-2.49	1.42	-1.81	
MSCI EAFE Index (Net)	2.75	7.25	7.25	11.67	0.50	5.83	1.05	
Lipper International Large-Cap Core Average	3.00	7.64	7.64	11.36	-0.22	4.42	0.61	
<b>Emerging Markets Equity Fund (Gross)</b>	<b>3.28%</b>	<b>11.94%</b>	<b>11.94%</b>	<b>19.77%</b>	<b>1.85%</b>	<b>0.31%</b>	<b>1.61%</b>	<b>4/21/1994</b>
Emerging Markets Equity Fund (Net)	3.28	11.28	11.28	16.89	-0.64	-2.16	-0.89	
MSCI Emerging Markets Index (Net)	2.52	11.44	11.44	17.21	1.18	0.81	2.72	
Lipper Emerging Markets Funds Average	3.05	11.27	11.27	16.23	0.52	1.10	2.18	

Source: Consulting Group, FactSet, Brown Brothers Harriman

1. Formerly Large Capitalization Growth Fund.

2. Formerly Small Capitalization Growth Fund.

The performance data above shows past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate, so that an investor's shares in the funds, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted.

# Consulting Group Capital Markets Funds

Fixed Income Monthly Performance – March 2017

	One Month	Trailing 3 Months	Year-to-Date	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Trailing 10 Years	Inception Date
<b>Core Fixed Income Fund (Gross)</b>	<b>0.00%</b>	<b>1.07%</b>	<b>1.07%</b>	<b>1.35%</b>	<b>2.76%</b>	<b>2.89%</b>	<b>5.00%</b>	<b>11/18/1991</b>
Core Fixed Income Fund (Net)	0.00	0.44	0.44	-1.15	0.23	0.35	2.41	
BC US Aggregate Bond Index	-0.05	0.82	0.82	0.44	2.68	2.34	4.27	
Lipper Core Bond Funds Average	-0.05	0.95	0.95	1.31	2.33	2.36	3.90	
<b>International Fixed Income Fund (Gross)</b>	<b>0.00%</b>	<b>0.26%</b>	<b>0.26%</b>	<b>3.56%</b>	<b>4.17%</b>	<b>3.79%</b>	<b>5.09%</b>	<b>11/18/1991</b>
International Fixed Income Fund (Net)	0.00	-0.37	-0.37	0.99	1.60	1.23	2.50	
Citi Non-US World Gov't Bond Index (USD), Hedged	-0.15	-0.35	-0.35	0.58	4.48	4.29	4.35	
Citi Non-US World Gov't Bond Index (USD), Unhedged	0.25	2.02	2.02	-4.79	-2.56	-1.50	2.64	
Lipper International Income Funds Average	0.86	2.96	2.96	1.33	-0.23	0.93	4.23	
<b>High Yield Fund (Gross)</b>	<b>-0.01%</b>	<b>2.74%</b>	<b>2.74%</b>	<b>15.41%</b>	<b>1.72%</b>	<b>4.88%</b>	<b>5.86%</b>	<b>7/13/1998</b>
High Yield Fund (Net)	-0.01	2.11	2.11	12.61	-0.78	2.31	3.27	
BC US High Yield Bond Index	-0.22	2.70	2.70	16.39	4.56	6.82	7.46	
Lipper High Yield Funds Average	-0.21	2.31	2.31	13.31	3.12	5.57	5.89	
<b>Municipal Bond Fund (Gross)</b>	<b>0.25%</b>	<b>1.05%</b>	<b>1.05%</b>	<b>-0.72%</b>	<b>2.89%</b>	<b>2.63%</b>	<b>3.67%</b>	<b>11/18/1991</b>
Municipal Bond Fund (Net)	0.25	0.42	0.42	-3.18	0.35	0.10	1.12	
BC Municipal Index	0.22	1.58	1.58	0.15	3.55	3.24	4.33	
Lipper Gen & Ins Municipal Debt Funds Average	0.29	1.37	1.37	-0.06	3.46	3.20	3.66	
<b>Inflation-Linked Fixed Income Fund (Gross)</b>	<b>0.00%</b>	<b>1.46%</b>	<b>1.46%</b>	<b>2.11%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3/11/2016</b>
Inflation-Linked Fixed Income Fund (Net)	0.00	0.83	0.83	-0.41	N/A	N/A	N/A	
BC US TIPS Index	-0.05	1.26	1.26	1.48	2.03	0.97	4.24	
Lipper Inflation Protected Bond Funds Average	-0.02	1.17	1.17	2.31	1.06	0.40	3.26	
<b>Ultra-Short Term Fixed Income Fund (Gross)</b>	<b>0.21%</b>	<b>0.51%</b>	<b>0.51%</b>	<b>2.61%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3/11/2016</b>
Ultra-Short Term Fixed Income Fund (Net)	0.21	-0.12	-0.12	0.07	N/A	N/A	N/A	
Citigroup 3-Month US Treasury Bill Index	0.04	0.12	0.12	0.34	0.15	0.11	0.61	
Lipper Ultra-Short Obligations Funds Average	0.07	0.34	0.34	1.35	0.64	0.65	1.35	

Source: Consulting Group, FactSet, Brown Brothers Harriman

The performance data above shows past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate, so that an investor's shares in the funds, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted.

# Definitions and Disclosures

## CONSULTING GROUP CAPITAL MARKETS FUNDS

### Gross Expense Ratios (January 1, 2017)

Fund	Gross Expense Ratio	Net Expense Ratio
Large Cap Equity Fund	0.69%	0.48%
Small-Mid Cap Equity Fund	0.99%	0.68%
International Equity Fund	0.82%	0.64%
Emerging Markets Equity Fund	1.13%	0.86%
Core Fixed Income Fund	0.55%	0.53%
International Fixed Income Fund	0.87%	0.82%
High Yield Fund	0.88%	0.68%
Municipal Bond Fund	0.68%	0.68%
Inflation-Linked Fixed Income Fund	1.03%	0.98%
Ultra-Short Term Fixed Income Fund	0.81%	0.76%

Please consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. The prospectus contains this and other information about the fund. Your Financial Advisor or Private Wealth Advisor can give you a copy of the prospectus. Please read it carefully before investing.

### Performance Information

**GROSS AND NET PERFORMANCE.** Gross returns are calculated net of fund internal fees and expenses (such as management fees paid to the manager and 12b-1 fees) but are gross of an annual investment advisory fee ("Advisory Fee") charged by Morgan Stanley.

Net returns are net of fund internal fees and expenses and a maximum Advisory Fee of 2.5%. Consulting Group Capital Markets Funds are only available within the following Morgan Stanley advisory programs: TRAK® CGCM, Select UMA, Consulting Group Advisor, and Portfolio Management. In addition to the Advisory Fee, Select UMA accounts are also subject to a 0.07% Overlay Manager Fee, but this fee is not reflected in the performance shown herein. For specific information about each of these programs, the applicable ADV brochure is available from your Morgan Stanley Financial Advisor or Private Wealth Advisor, or online at <http://www.morganstanley.com/adv>. The Advisory Fee is calculated by assessing the fee quarterly in the month after quarter end and then compounding those monthly net return rates for various time periods.

The expense ratios shown do not include additional fees that would be associated with an advisory account. Net Expense ratios are contractually agreed to remain in place for a period of one year until 1/1/2017, at which time they can be amended or terminated only with the consent of the Board of Trustees. Please see fund prospectus for additional details.

**OTHER FACTORS IN PERFORMANCE CALCULATIONS.** Performance results are time weighted and annualized for time periods greater than one year, and include realized and unrealized capital gains and losses as well as reinvestment of dividends, interest, and other income. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

**BENCHMARKS.** The indices are unmanaged and investors cannot invest directly in an index. The index

performance shown does not reflect the impact of any taxes, transaction costs, management fees or other expenses that may be associated with certain investments. The indices selected by Morgan Stanley to measure performance are representative of broad asset classes. The volatility of the indices used for comparison may be materially different from that of the fund performance shown. Morgan Stanley retains the right to change representative indices at any time.

### Index Definitions

**Barclays Capital US Aggregate Bond Index** – The index covers the dollar-denominated investment-grade fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS pass-through securities, asset-backed securities, and commercial mortgage-based securities. These major sectors are subdivided into more specific sub-indices that are calculated and published on an ongoing basis. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. This index is rebalanced monthly by market capitalization.

**Barclays Capital US High Yield Index** – The BC US High Yield Index includes publicly issued US dollar-denominated, non-investment grade, fixed-rate, taxable corporate bonds that have a remaining maturity of at least one year, regardless of optionality, are rated high-yield (Ba1/BB+/BB+ or below) using the middle rating of Moody's, S&P, and Fitch, respectively (before July 1, 2005, the lower of Moody's and S&P was used), and have \$600 million or more of outstanding face value.

**Barclays Capital US Municipal Bond Index** – The US Municipal Bond Index covers the U.S. dollar-denominated long term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

**Barclays Capital US Treasury Inflation Protected Securities (TIPS) Index** – The Barclays US TIPS Index is an unmanaged market index comprised of all US Treasury Inflation Protected Securities rated investment grade (Baag3/BBB- or better), have at least one year to final maturity, and at least \$250 million par amount outstanding.

**Citi Non-US World Government Bond Index (USD) - Hedged** – This index includes all the components of the World Government Bond Index (listed below) except the United States. The index includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of \$25 million US dollars. Those government securities that are excluded from the indices typically fall into three categories: floating- or variable-rate bonds (including index-linked bonds); securities aimed principally at non-institutional investors such as savings bonds in the United States and Canada; and private placement-type securities, where liquidity may be poor and where accurate information on outstandings, market coupon, and maturity structure may be difficult or impossible to obtain. This index is designed to directly address the growing interest in and implementation of currency-hedged bond investments by global investors as a means of achieving low-risk interest rate diversification in their portfolios. Currency-hedged returns are also reported for the overall non-base on a monthly basis.

**Citi Non-US World Government Bond Index (USD) - Unhedged** – This index includes all the components of the World Government Bond Index except the United States. The index includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of \$25 million US dollars. Those government securities that are excluded from the indices typically fall into three categories: floating- or variable-rate bonds (including index-linked bonds); securities aimed principally at non-institutional investors such as savings bonds in the United States and Canada; and private placement-type securities, where liquidity may be poor and where accurate information on outstandings, market coupon, and maturity structure may be difficult or impossible to obtain. This index is designed to directly address the growing interest in and implementation of currency-hedged bond investments by global investors as a means of achieving low-risk interest rate diversification in their portfolios.

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**Citigroup 3-Month US Treasury Bill Index** – Equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the index. The index is rebalanced monthly by market capitalization.

**MSCI EAFE Index (Net)** – The Morgan Stanley Capital International Europe, Australasia, and Far East (MSCI EAFE) Index is composed of all the publicly traded stocks in developed non-U.S. markets. As of November 2013, the MSCI EAFE Index consisted of the following developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

**MSCI Emerging Markets Index (Net)** – As The MSCI Emerging Markets (EM) Index (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. This series approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.

**Russell 1000 Index** – The Russell 1000 Index measures the performance of the 1,000 largest US companies based on total market capitalization.

**Russell 1000 Growth Index** – Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 2000 Index** – The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 11% of the total market capitalization of the Russell 3000 Index.

**Russell 2000 Growth Index** – The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 2500 Index** – The Russell 2500 Index measures the performance of the 2,500 smallest companies in the Russell 3000 Index.

**Russell 3000 Index** – The Russell 3000 Index measures the performance of the 3,000 largest US companies based on total market capitalization.

**S&P 500 Index** – The S&P 500 Index is an index that consists of 500 stocks chosen for market size, liquidity, and industry group representation. The S&P 500 Index is a market value weighted index with each stock's weight proportionate to its market value. The S&P 500 Index is one of the most widely used benchmarks of U.S. equity performance. The performance of the index does not account for any management fees, incentive compensation, commissions, or other expenses that would be incurred pursuing such strategy.

**S&P Mid-Cap 400 Index** – The S&P Mid-Cap 400 Index consists of 400 medium capitalization domestic companies chosen for market size, liquidity and industry group representation. It is a market-weighted index, with each stock affecting the Index in proportion to its market value.

**S&P Small-Cap 600 Index** – The S&P Small-Cap 600 covers approximately 3% of the domestic equities market. Measuring the small cap segment of the market that is typically renowned for poor trading liquidity and financial instability, the index is designed to be an efficient portfolio of companies that meet specific inclusion criteria to ensure that they are investable and financially viable. This is the net return.

**S&P SuperComposite 1500 Index** – An investable U.S. equity benchmark, the S&P Composite 1500 combines three leading indices, the S&P 500®, the S&P MidCap 400, and the S&P SmallCap 600 to cover

approximately 90% of the U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

## Lipper Investment Category Definitions

**Lipper Core Bond Funds Average** – These are equally weighted total returns using all the active funds available within the category. Lipper analytical averages are an average of all funds in the specified investment objective's universe. Averages include all funds in the group in existence for the period. The number of component funds always changes. Core bond funds invest at least 85% of their assets in domestic investment-grade debt issues (rated in top four grades) with any remaining in investment in non-benchmark sectors such as high-yield, global and emerging market debt. These funds maintain dollar-weighted average maturities of five to ten years.

**Lipper Emerging Market Funds Average** – These are equally weighted total returns using all the active funds available within the category. Emerging market funds seek long-term capital appreciation by investing primarily in emerging market equity securities, where "emerging market" is defined by a country's GNP per capita or other economic measures.

**Lipper General & Insured Municipal Debt Funds Average** – These are equally weighted total returns using all the active funds available within the category. Lipper analytical averages are an average of all funds in the specified investment objective's universe. Averages include all funds in the group in existence for the period. The number of component funds always changes. General and insured municipal debt funds either invest primarily in municipal debt issues rated in the top four credit ratings or invest primarily in municipal debt issues insured as to timely payment.

**Lipper High Yield Funds Average** – These are equally weighted total returns using all the active funds available within the category. Lipper analytical averages are an average of all funds in the specified investment objective's universe. Averages include all funds in the group in existence for the period. The number of component funds always changes. High current yield funds aim at high (relative) current yield from fixed income securities, have no quality or maturity restrictions, and tend to invest in lower grade debt issues.

**Lipper Inflation Protected Bond Funds Average** – These are equally weighted total returns using all the active funds available within the category. Lipper analytical averages are an average of all funds in the specified investment objective's universe. Averages include all funds in the group in existence for the period. The number of component funds always changes. Inflation protected bond funds invest primarily in inflation-indexed fixed income securities issued in the United States. Inflation-indexed bonds are fixed income securities that are structured to provide protection against inflation.

**Lipper International Income Funds Average** – These are equally weighted total returns using all the active funds available within the category. Lipper analytical averages are an average of all funds in the specified investment objective's universe. Averages include all funds in the group in existence for the period. The number of component funds always changes. International income funds state in their prospectus that they invest primarily in US-dollar and non-US-dollar debt securities of issuers located in at least three countries, excluding the United States, except in periods of market weakness.

**Lipper International Large-Cap Core Funds Average** – These are equally weighted total returns using all the active funds available within the category. The Lipper International Large-Cap Core Funds Average includes the 30 largest large-cap core funds tracked by Lipper Inc. The index's returns include net reinvested dividends.

**Lipper Large-Cap Core Funds Average** – These are equally weighted total returns using all the active funds available within the category. Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite

# Definitions and Disclosures

1500 Index. Large-cap core funds have more latitude in the companies in which they invest. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large-Cap Growth Funds Average** – These are equally weighted total returns using all the active funds available within the category. Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) of greater than 300% of the dollar-weighted median market capitalization of the S&P Mid-Cap 400 Index. Large-Cap Growth funds normally invest in companies with long-term earnings expected to grow significantly faster than the earnings of the stocks represented in a major unmanaged stock index. These funds will normally have an above-average price-to-earnings ratio, price-to-book ratio, and three-year earnings growth figure, compared to the U.S. diversified large-cap funds universe average.

**Lipper Small-Cap Core Funds Average** – These are equally weighted total returns using all the active funds available within the category. Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. Small-cap core funds have more latitude in the companies in which they invest. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small-Cap Growth Funds Average** – These are equally weighted total returns using all the active funds available within the category. Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) of less than 250% of the dollar-weighted median market capitalization of the S&P Small-Cap 600 Index. Small-Cap Growth funds normally invest in companies with long-term earnings expected to grow significantly faster than the earnings of the stocks represented in a major unmanaged stock index. These funds will normally have an above-average price-to-earnings ratio, price-to-book ratio, and three-year earnings growth figure, compared to the U.S. diversified small-cap funds universe average.

**Lipper Ultra-Short Obligations Funds Average** – These are equally weighted total returns using all the active funds available within the category. Lipper analytical averages are an average of all funds in the specified investment objective's universe. Averages include all funds in the group in existence for the period. The number of component funds always changes. Ultra short obligations funds invest primarily in investment-grade debt issues or better and maintain a portfolio dollar-weighted average maturity between 91 days and 365 days.

## Risk Considerations

Investing in the markets entails the risk of market volatility. The value of all types of securities, including mutual funds, may increase or decrease over varying time periods.

To the extent the investments depicted herein represent international securities, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in emerging markets. International investing may not be for everyone. Small-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

With respect to fixed income securities, please note that, in general, as prevailing interest rates rise, fixed income securities prices will fall. High Yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues.

In the case of municipal bonds, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax.

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