Performance

In the one month period ending January 31, 2020, the Fund’s I shares returned 2.02% (net of fees)\(^1\), while the benchmark returned 1.46%.

The Fund outperformed the benchmark in January, benefiting from both bottom-up stock selection and top-down sector allocation. From a bottom-up perspective, the Fund benefited from favorable stock selection in the toll roads, gas distribution utilities and gas midstream sectors, only partially offset by adverse stock selection in the diversified, water & waste, and airports sectors. From a top-down perspective, the Fund benefited from an underweight to gas midstream and out-of-benchmark positions in renewables and other utilities not contained in the Index, partially offset by an underweight to electricity transmission & distribution and an overweight to toll roads.

Market Review

Infrastructure shares (as measured by the Dow Jones Brookfield Global Infrastructure Index) increased 1.46% in January, outperforming global equities (-1.33% as represented by the S&P Global BMI). For the month, water & waste, European regulated utilities, electricity transmission & distribution, communications, pipeline companies and gas distribution utilities outperformed the Index, while ports, airports, gas midstream, toll roads and diversified underperformed.

Overall, global infrastructure securities performed well to start the year, particularly coming off a strong 2019 where the Index was up nearly 30%. Sector dispersion, however, was quite wide for the month, as has been a common occurrence over the past several months. Generally speaking, those sectors perceived to be defensive (utilities, communications) delivered the strongest performance in January, while those areas with greater leverage to the economic cycle (transportation, energy infrastructure) lagged.

Portfolio Activity

Portfolio activity was modest in January, with a bias toward sales. In terms of sectors, much of the activity was concentrated in the utility sector, although we also built a position in one North American waste company.

Strategy and Outlook

We remain committed to our core investment philosophy as an infrastructure value investor. As a value-oriented, bottom-up driven investor, our investment perspective is that over the medium and long term, the key factor in determining the performance of infrastructure securities will be underlying infrastructure asset values. Given the large and growing private infrastructure market, we believe that there are limits as to the level of premium or discount at which the public sector should trade relative to its underlying private infrastructure value. These limits can be viewed as the point at which the arbitrage opportunity between owning infrastructure in the private versus public markets becomes compelling. In aiming to achieve core infrastructure exposure in a cost effective manner, we invest in equity securities of publicly listed infrastructure companies we believe offer the best value relative to their underlying infrastructure value and Net Asset Value growth prospects.


This document constitutes a commentary and does not constitute investment advice nor a recommendation to invest. The value of investments may rise as well as fall. Independent advice should be sought before any decision to invest.
Our research currently leads us to an overweighting in the Fund to a group of companies in the toll roads and water & waste sectors, a market-neutral weighting to companies in the ports sector, and an underweighting to companies in the communications, electricity transmission & distribution, gas midstream, pipeline companies, diversified, European regulated utilities, airports and gas distribution utilities sectors. Finally, we continue to retain an out-of-benchmark position in renewables, as well as a weighting in certain other utilities that are not contained in the Index. Please note that we have renamed the water sector to water & waste, as this reflects the gradual inclusion of additional waste names within the portfolio.

Performance (%)  
As of date January 31, 2020 (Class I Share at NAV)

<table>
<thead>
<tr>
<th></th>
<th>MTD</th>
<th>QTD</th>
<th>YTD</th>
<th>1 YR</th>
<th>3 YR</th>
<th>5 YR</th>
<th>10 YR</th>
<th>SINCE INCEPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSIF Global Infrastructure Portfolio - I Shares</td>
<td>2.02</td>
<td>2.02</td>
<td>2.02</td>
<td>20.50</td>
<td>11.08</td>
<td>6.15</td>
<td>--</td>
<td>10.90</td>
</tr>
<tr>
<td>Dow Jones Brookfield Global Infrastructure Index</td>
<td>1.46</td>
<td>1.46</td>
<td>1.46</td>
<td>19.39</td>
<td>11.22</td>
<td>6.18</td>
<td>--</td>
<td>10.43</td>
</tr>
</tbody>
</table>

Performance (%)  
As of date December 31, 2019 (Class I Share at NAV)

<table>
<thead>
<tr>
<th></th>
<th>MTD</th>
<th>QTD</th>
<th>YTD</th>
<th>1 YR</th>
<th>3 YR</th>
<th>5 YR</th>
<th>10 YR</th>
<th>SINCE INCEPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSIF Global Infrastructure Portfolio - I Shares</td>
<td>4.91</td>
<td>4.56</td>
<td>27.94</td>
<td>27.94</td>
<td>9.87</td>
<td>5.70</td>
<td>--</td>
<td>10.76</td>
</tr>
<tr>
<td>Dow Jones Brookfield Global Infrastructure Index</td>
<td>5.33</td>
<td>3.97</td>
<td>28.69</td>
<td>28.69</td>
<td>1114</td>
<td>5.75</td>
<td>--</td>
<td>10.36</td>
</tr>
</tbody>
</table>

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. Investment returns and principal value will fluctuate and fund shares, when redeemed, may be worth more or less than their original cost.

The gross expense ratio is 1.16% for Class I shares and the net expense ratio is 0.97%. 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.

Returns are net of fees and assume the reinvestment of all dividends and income. They are compared to an unmanaged market index. Returns for less than one year are cumulative (not annualized). Performance for one year or more is based on average annual total returns. The returns are reported for Class I shares. Performance for other share classes will vary.

Please keep in mind that high double-digit returns are highly unusual and cannot be sustained. Investors should also be aware that these returns were primarily achieved during favorable market conditions.

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. Accordingly, you can lose money investing in this Portfolio. Please be aware that this Portfolio may be subject to certain additional risks. In general, equities securities’ values also fluctuate in response to activities specific to a
company. Investments in foreign markets entail special risks such as currency, political, economic, market and liquidity risks. The risks of investing in emerging market countries are greater than the risks generally associated with investments in foreign developed countries. Companies within the infrastructure industry are subject to a variety of factors that may adversely affect their business or operations, including high interest, leverage and regulatory costs, difficulty raising capital, the effect of an economic slowdown or recession and surplus capacity, and increased competition. Other risks include technological innovation, significant changes in the number of end-users, an increasing deregulatory environment, natural and environmental risks, and terrorist attacks. 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. Non-diversified portfolios often invest in a more limited number of issuers so changes in the financial condition or market value of a single issuer may cause greater volatility in the portfolio. Illiquid securities may be more difficult to sell and value than publicly traded securities (liquidity risk). Value securities (those believed to be undervalued in comparison to their peers), the market may not have the same value assessment as the manager, and, therefore, the performance of the securities may decline. Real estate investments, including real estate investment trusts (REITs), 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.

INDEX INFORMATION

The Dow Jones Brookfield Global Infrastructure Index is a free float-adjusted market capitalization weighted index that measures the stock performance of companies that exhibit strong infrastructure characteristics. The Index intends to measure all sectors of the infrastructure market.

The S&P Global BMI Index is a broad market index designed to capture exposure to equities in all countries in the world that meet minimum size and liquidity requirements. The index includes developed and emerging market countries. Indexes are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an Index.

IMPORTANT INFORMATION

The views and opinions expressed are those of the investment team at the time of writing and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. These comments are not representative of the opinions and views of the firm as a whole. Holdings and sectors/region weightings are subject to change daily. All information provided is for informational purposes only and should not be deemed as a recommendation to buy or sell securities in the sectors and regions referenced.

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.

Certain information herein is based on data obtained from third party sources believed to be reliable. However, we have not verified this information, and we make no representations whatsoever as to its accuracy or completeness.

Please consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. To obtain a prospectus, contact your financial advisor or download one at morganstanley.com/im. Please read the prospectus carefully before investing.

Morgan Stanley Investment Management is the asset management division of Morgan Stanley.

NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT