

Morgan Stanley Institutional Fund Trust Global Strategist Portfolio

4Q18
FACTSHEET

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.

Objective

Seeks above-average total return over a market cycle of three to five years.

Lipper Category

Flexible Portfolio

Morningstar Category

World Allocation

Portfolio Managers

	Joined Firm	Years of Investment Experience
Cyril Moullé-Berteaux, Managing Director	(Rejoined) 2011	28
Mark Bavoso, Managing Director	1986	36

Investment Performance - Class I (% net of fees)

% Average Annual Total Returns	1 Year	3 Year	5 Year	10 Year	Inception
Fund	-6.29	4.90	2.24	7.85	6.89
MSCI All Country World Index ¹	-9.42	6.60	4.26	9.46	7.17
Blended Index	-6.00	5.02	2.58	6.45	-
Lipper Category Average	-7.23	3.78	2.02	7.38	-
Morningstar Category Average	-8.26	3.98	1.76	6.90	-

% Calendar Year Returns	4Q18	YTD	2018	2017	2016	2015	2014
Fund	-6.73	-6.29	-6.29	16.67	5.58	-6.15	3.13
MSCI All Country World Index	-12.75	-9.42	-9.42	23.97	7.86	-2.36	4.16
Blended Index	-7.27	-6.00	-6.00	16.45	5.81	-3.51	1.62
Lipper Category Average	-8.49	-7.23	-7.23	12.70	7.00	-4.70	2.91
Morningstar Category Average	-8.08	-8.26	-8.26	14.79	6.04	-4.15	1.54

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 December 31, 2018, 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.

Please keep in mind that 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.

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 BofAML 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.

Expense Ratios	Symbol	Cusip	Gross (%)	Net (%)
Class A	MBAAX	617440557	1.13	1.08
Class C	MSSOX	617455779	2.03	1.85
Class I	MPBAX	617440839	0.86	0.75
Class IS	MGPOX	617455720	2.18	0.72

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 Trustees 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 Overall Rating

Class I shares



Out of 389 Funds. Based on Risk Adjusted Return.

Class I Shares Fund ratings out of 5 Stars: 3 Yrs. 4 Stars; 5 Yrs. 3 Stars; 10 Yrs. 4 Stars.

Morningstar Rankings - Class I World Allocation Category

	Percentile	Rank/ Total in Category
1 Year	23	100/453
3 Year	24	68/389
5 Year	45	152/322
10 Year	19	27/160

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

Fund Facts

Inception date	December 31, 1992
Total net assets (\$MM)	\$ 267.2
Primary Benchmark	MSCI All Country World Index
Custom Benchmark ²	Blended Index
Distribution frequency	Annually

Risk/Return Statistics (3 Year)

	Fund
Excess return (versus Primary Benchmark)	-1.70
Excess return (versus Custom Benchmark)	-0.12
Tracking error (%) ³	1.76
Information ratio ³	-0.07

Asset Allocation (%)

	Fund	Active Wt
Global Equities	62.13	2.13
Global Fixed Income	56.79	16.79
Commodities	1.25	1.25
Volatility	0.37	0.37
Cash	-20.54	-20.54

Regional Allocation (% Net of Cash)

	Equities	Fixed Income
North America	33.63	27.87
Europe	11.47	10.82
Asia ex-Japan	2.34	2.48
Japan	5.72	7.61
Emerging Markets	8.97	8.02

Currency Exposure (%)

	Fund
Developed Markets	100.39
North America	56.45
Europe	26.73
Asia ex-Japan	4.60
Japan	12.62
Emerging Markets	-0.39

Return On Capital Employed (ROCE) is a ratio indicating the efficiency and profitability of a company's capital. Calculated as: earnings before interest and taxes/total assets less current liabilities. Financials and Real Estate sectors are excluded from characteristics where income statement, balance sheet, or cash flow statement ratios are not economically meaningful.

RISK/RETURN DEFINITIONS

Excess Return or value added (positive or negative) is the portfolio's return relative to the return of the benchmark. **Tracking error** is the amount by which the performance of the portfolio differs from that of the benchmark. **Information ratio** is the portfolio's alpha or excess return per unit of risk, as measured by tracking error, versus the portfolio's benchmark. **Active weight** measures aggregate differences in portfolio holding weights versus the benchmark constituent weights.

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, **equity securities'** values also fluctuate in response to activities specific to a company. 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. **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 the current rising interest-rate environment, bond prices may fall and may result in periods of volatility and increased portfolio redemptions. Longer-term securities may be more sensitive to interest rate changes. In a declining interest-rate environment, the portfolio may generate less income. **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** are subject to default risk. **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. **Derivative instruments** can be illiquid, may disproportionately increase losses and may have a potentially large negative impact on the Portfolio's performance. The use of **leverage** may increase volatility in the Portfolio. **Restricted and illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). 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.

Morningstar: Rankings and ratings as of December 31, 2018. **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. **Ratings:** The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual

funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account sales loads.

© 2019 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.**

Morningstar information is based on quarter-end data. Please visit morganstanley.com/im for the latest month-end Morningstar information.

OTHER CONSIDERATIONS

¹ **The MSCI All Country World Index (ACWI)** is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets. The term "free float" represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The performance of the Index is listed in U.S. dollars and assumes reinvestment of net dividends. The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to invest directly in an index.

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 BofAML US Dollar 1-Month LIBID Average Index to 60% MSCI All Country World Index and 40% Bloomberg Barclays Global Aggregate Bond Index.

The indexes are unmanaged and do not include any expenses, fees or sales charges. Such costs would lower performance. It is not possible to invest directly in an index.

³ Calculated using the Portfolio's Blended Index, as this is a better representation of the Portfolio's global multi-asset strategy.

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.