

Morgan Stanley Institutional Fund Trust

High Yield Portfolio

Morningstar Category: High Yield Bond

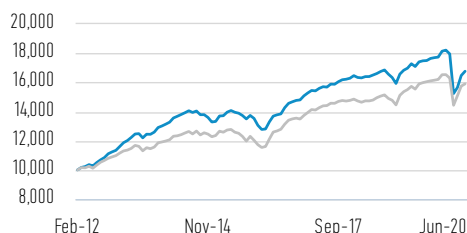
Lipper Category: High Yield

Investment Objective: Seeks total return.

Investment Approach: We focus on middle market credits, or credits with less than \$1 billion of total debt outstanding, using a value-oriented fixed income approach. In our experience, middle market issues relative to larger peers can provide superior yields, higher coupons, shorter maturities and lower volatility, with default rates that are generally in line with the broader market.

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

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



— Class I Shares
— Bloomberg Barclays U.S. Corporate High Yield Index

Investment Performance (% net of fees) in USD

	Cumulative (%)			Annualized (% p.a.)			
	2Q20	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	10.05	-7.58	-3.70	2.26	3.74	--	6.35
Bloomberg Barclays U.S. Corporate High Yield Index	10.18	-3.80	0.03	3.33	4.79	--	5.68

Calendar Year Returns (%)

	2019	2018	2017	2016	2015	2014	2013
Class I Shares	13.89	-2.20	8.02	15.49	-1.71	1.11	13.22
Bloomberg Barclays U.S. Corporate High Yield Index	14.32	-2.08	7.50	17.13	-4.47	2.45	7.44

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 June 30, 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.

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.

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.

Expense Ratios

	SYMBOL	CUSIP	GROSS (%)	NET (%)
Class A	MSYPX	617440219	1.23	1.00
Class C	MSHDX	617455761	1.98	1.75
Class I	MSYIX	617440235	0.98	0.65
Class IS	MSHYX	617455407	1.11	0.62

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 Rankings - Class I

	PERCENTILE	RANK/TOTAL IN CATEGORY
1 YR	82	569/703
3 YR	53	308/639
5 YR	37	175/546

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

Fund Facts

Inception date	February 07, 2012
Total net assets	\$ 179.53 million
Benchmark ¹	Bloomberg Barclays U.S. Corporate High Yield Index
Distribution frequency	Monthly

Statistics (3 Year Annualized)

	CLASS I
Alpha (%)	-1.35
Beta (vs. benchmark)	1.17
Excess return (%)	-1.07
R squared	0.96
Sharpe ratio	0.05
Standard deviation (%)	10.48
Tracking error (%)	2.67

Characteristics

	FUND
Number of holdings	309
Duration (years)	3.93
Average maturity	4.78
Average price	96.72
SEC 30-day yield subsidized (%) Class I	6.58
SEC 30-day yield unsubsidized (%) Class I	6.19
Turnover (%) [*]	42

^{*} Turnover is sourced from the fund's current prospectus.

Quality Distribution (% of Total Net Assets)[#]

	FUND
BBB	4.15
BB	35.65
B	46.39
CCC	14.29
CC	0.09
C	0.02
Not Rated	0.44
Cash	-1.03

Sector Allocation (% of Total Net Assets)#	PORTFOLIO
High Yield Corporates	96.35
Industrial	89.33
Basic Industry	7.01
Capital Goods	14.91
Communications	14.74
Consumer Cyclical	20.70
Consumer Non-Cyclical	13.15
Energy	10.35
Technology	3.10
Transportation	2.14
Industrial Other	3.23
Utility	0.57
Financial Institutions	6.45
Brokerage/Asset Managers/Exchanges	1.59
Finance Companies	1.26
Insurance	1.86
REITs	1.13
Financial Other	0.61
Bank Loans	3.92
Investment Grade Corporates	0.34
NR Corporates	0.01
Non US Government	0.22
Equity	0.19
Cash & equivalents	-1.03

May not sum to 100% due to rounding.

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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: **Alpha** (Jensen's) is a risk-adjusted performance measure that represents the average return on a portfolio or investment above or below that predicted by the capital asset pricing model (CAPM) given the portfolio's or investment's beta and the average market return. Prior to 6/30/2018 Alpha was calculated as the excess return of the fund versus benchmark. **Average maturity** – weighted average of the maturities of the underlying securities in the portfolio. A bond's average price is calculated by adding its face value to the price paid for it and dividing the sum by two. The **average price** is sometimes used in determining a bond's yield to maturity where the average price replaces the purchase price in the yield to maturity calculation. **Beta** is a measure of the relative volatility of a security or portfolio to the market's upward or downward movements. **Duration** is a measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. **Excess return** or value added (positive or negative) is the portfolio's return relative to the return of the benchmark. **Quality distribution** refers to the rating given by a Nationally Recognized Statistical Rating Organization (NRSRO) and is the rating firms' subjective opinion concerning the ability and willingness of an issuer to meet its financial obligations in full and on time. Ratings apply only to portfolio holdings and do not remove the Fund's market risk. Quality distribution data for securities is sourced from Fitch, Moody's and S&P. Where the credit ratings for individual securities differ between the three ratings agencies, the 'highest' rating is applied. The rating of credit default swaps is based on the 'highest' rating of the underlying reference bond. 'Cash' includes investments in short term instruments, including investments in Morgan Stanley liquidity funds. **R squared** measures how well an investment's returns correlate to an index. An R squared of 1.00 means the portfolio performance is 100% correlated to the index's, whereas a low r-squared means that the portfolio performance is less correlated to the index's. **SEC yield** is a measure of the income generated by the portfolio's underlying asset over the trailing 30 days, relative to the asset base of the portfolio itself. The **SEC 30-day yield - subsidized** reflects current fee waivers in effect. Absent such fee waivers, the yield would have been lower. The **SEC 30-day yield-unsubsidized** does not reflect the fee waivers currently in effect. **Sharpe ratio** is a risk-adjusted measure calculated as the ratio of excess return to standard deviation. **Standard deviation** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value. **Tracking error** is the amount by which the performance of the portfolio differs from that of the benchmark.

INDEX INFORMATION: (1) The **Bloomberg Barclays U.S. Corporate High Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The Index excludes emerging market debt. The index is unmanaged and does 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.

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. **Public bank loans** are subject to liquidity risk and the credit risks of lower rated securities. **Derivative instruments** may disproportionately increase losses and have a significant impact on performance. They also may be subject to counterparty, liquidity, valuation, correlation and market risks.

Distressed and defaulted securities are speculative and involve substantial risks in addition to the risks of investing in junk bonds. The Portfolio will generally not receive interest payments on the distressed securities and the principal may also be at risk. These securities may present a substantial risk of default or may be in default at the time of investment, requiring the portfolio to incur additional costs. **Preferred securities** are subject to interest rate risk and generally decreases in value if interest rates rise and increase in value if interest rates fall. **Mezzanine investments** are subordinated debt securities, thus they carry the risk that the issuer will not be able to meet its obligations and they may lose value. **Foreign securities** are subject to 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. In general, **equity securities'** values also fluctuate in response to activities specific to a company. **Illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk).

Morningstar: Rankings and/or ratings as of June 30, 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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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.