

Morgan Stanley

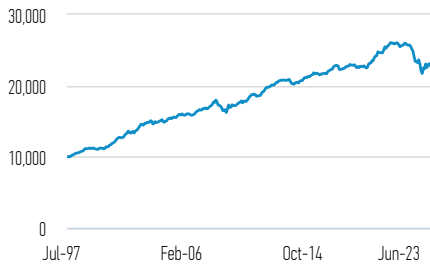
Long Duration Government Opportunities Fund

Investment Objective: Seeks a high level of current income consistent with safety of principal.

Investment Approach: We seek to provide investors with the relative safety of a U.S. Government-focused portfolio while capitalizing on excess return opportunities that exist in the long duration fixed income markets. Our longstanding expertise in the agency mortgage-backed securities market, which combines extensive prepayment analysis and security structure selection, may result in reduced credit risk, above-benchmark yields and attractive total return potential.

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

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



— Class I Shares

Investment Team	JOINED FIRM	INDUSTRY EXPERIENCE
Andrew Szczurowski	2007	18 Years
Alex Payne	2015	16 Years

Team members may be subject to change at any time without notice. Effective May 31, 2023 Neil Stone and Matthew C. Dunning no longer serve as Portfolio Manager.

Investment Performance (% net of fees) in USD

	Cumulative (%)			Annualized (% p.a.)			
	2Q23	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	-2.10	0.61	-3.25	-4.57	-0.22	1.02	3.17
Bloomberg US Long Treasury Index	-2.30	3.72	-6.82	-12.09	-0.88	1.80	5.42
BBG US Government/Mortgage / BBG US Long Treasury Blended Index	-0.48	2.31	-1.26	-4.12	0.42	1.11	3.90
Bloomberg U.S. Government/Mortgage Index	-1.08	1.69	-1.86	-4.32	0.30	1.05	3.87

Calendar Year Returns (%)

	2022	2021	2020	2019	2018	2017	2016
Class I Shares	-12.63	-1.74	5.77	6.90	0.34	2.90	2.88
BBG US Government/Mortgage / BBG US Long Treasury Blended Index	-12.12	-1.77	6.36	6.63	0.93	2.37	1.31

The fund has received proceeds related to certain non-recurring litigation settlements. If these monies were not received, any period returns which include these settlement monies would have been lower. These were one-time settlements, and as a result, the impact on the net asset value and consequently the performance will not likely be repeated in the future. Rankings for the fund were more favorable due to these settlements and ratings may also have been positively impacted. Please visit www.morganstanley.com/im for additional details.

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, 2023, 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	USGAX	616969101	1.05	0.85
Class C	MSGVX	616969507	1.79	1.62
Class I	USGDY	616969408	0.80	0.49

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 \$1,000,000 for Class I shares.

BROAD MARKETS FIXED INCOME TEAM

Morningstar Rankings - Class I

	PERCENTILE	RANK/TOTAL IN CATEGORY
1 YR	98	460/466
3 YR	91	367/411
5 YR	94	352/379
10 YR	78	208/277

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

Fund Facts

Inception date	July 28, 1997
Total net assets	\$ 219.56 million
Primary Benchmark ¹	Bloomberg US Long Treasury Index
Custom Benchmark ²	BBG US Government/Mortgage / BBG US Long Treasury Blended Index
Former benchmark ³	Bloomberg U.S. Government/Mortgage Index
Distribution frequency	Monthly

Statistics (3 Year Annualized)⁴

	CLASS I
Alpha (%)	-0.64
Beta (vs. benchmark)	0.96
Excess return (%)	-0.45
Information ratio	-0.35
R squared	0.95
Sharpe ratio	-1.07
Standard deviation (%)	5.52

Characteristics

	FUND
Number of holdings	286
Duration (years)	13.11
SEC 30-day yield subsidized (%)	4.41
Class I	
SEC 30-day yield unsubsidized (%)	4.02
Class I	
Turnover (%) [*]	321

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

Sector Allocation (% of Total Net Assets)[#]

	FUND
RMBS	94.11
US Government/Agency	30.15
CMBS	7.20
ABS	1.07
Cash & equivalents	-32.53

Effective May 31, 2023, the Fund changed its name from Morgan Stanley U.S. Government Securities Trust to Morgan Stanley Long Duration Government Opportunities Fund, changed its benchmark, amended its principal investment strategy to target an average portfolio duration of at least ten years under normal circumstances, and changed the portfolio managers for the Fund. See prospectus supplement for details.

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: **Active share** is the fraction of the portfolio or fund that is invested differently than its benchmark as of the last day of the reporting period. **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. **Beta** is a measure of the relative volatility of a security or portfolio to the market's upward or downward movements. **Down Capture Ratio** is a statistical measure of an investment manager's overall performance in down-markets. **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. **Earnings per share (EPS) growth** is the weighted average of earnings per share growth for all securities in the portfolio projected for the past five fiscal years. Earnings per share for a company is defined as total earnings divided by shares outstanding. **Excess return** or value added (positive or negative) is the portfolio's return relative to the return 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. **Net cash to equity** is the ratio of a company's cash on hand against the total net worth of the company. **Number of holdings** provided are a typical range, not a maximum number. The portfolio may exceed this from time to time due to market conditions and outstanding trades. **Price/book** compares a stock's market value to the book value per share of total assets less total liabilities. This number is used to judge whether a stock is undervalued or overvalued. **Price/cash flow** is a ratio used to compare a company's market value to its cash flow. It is calculated by dividing the company's per-share stock price by the per-share operating cash flow. **Price/earnings (LTM)** is the price of a stock divided by its earnings per share for the past 12 months. Sometimes called the multiple, P/E gives investors an idea of how much they are paying for a company's earning power. **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. **Return on capital** is a measure of a company's efficiency at allocating the capital under its control to profitable investments, calculated by dividing operating income [excluding dividends and taxes] by total capital. **Return on equity (ROE)** is the amount of net income returned as a percentage of shareholders equity. **Sales growth** is the percentage increase in sales over a 1-year period. **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. **Upside/downside market capture** measures annualized performance in up/down markets relative to the market benchmark. **Weighted average market capitalization** is an average of the market capitalization of stocks held by a portfolio or comprising an index, adjusted by each stock's corresponding weight in the portfolio or index. **Weighted median market capitalization** is the point at which half of the market value of a portfolio or index is invested in stocks with a greater market capitalization, and consequently the other half of the market value is invested in stocks with a lower market capitalization.

INDEX INFORMATION: (1) **Bloomberg U.S. Long Treasury Index** measures the performance of US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with a maturity greater than 10 years.

(2) Blended Index performance shown is calculated using the **Bloomberg U.S.**

Government/Mortgage Index from inception through 05/31/2023 and the **Bloomberg US Long Treasury Index** thereafter.

(3) The **Bloomberg U.S. Government/Mortgage Index** includes Treasuries, government-related issues, and agency mortgage-backed pass-through securities issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

"Bloomberg" and the Bloomberg Index/Indices used are service marks of Bloomberg Finance L.P. and its affiliates, and have been licensed for use for certain purposes by Morgan Stanley Investment Management (MSIM). Bloomberg is not affiliated with MSIM, does not approve, endorse, review, or recommend any product, and does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any product.

The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to invest directly in an index. Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor.

RISK CONSIDERATIONS: There is no assurance that a mutual fund will achieve its investment objective. Funds are subject to market risk, which is the possibility that the market values of securities owned by the fund will decline and that the value of fund 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 fund. Please be aware that this fund 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. Certain **U.S. government securities** purchased by the Strategy, such as those issued by Fannie Mae and Freddie Mac, are not backed by the full faith and credit of the U.S. It is possible that these issuers will not have the funds to meet their payment obligations in the future.

Mortgage and asset-backed securities 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. **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. Due to the possibility that prepayments will alter the cash flows on **Collateralized mortgage obligations (CMOs)**, it is not possible to determine in advance their final maturity date or average life. In addition, if the collateral securing the CMOs or any third party guarantees are insufficient to make payments, the strategy could sustain a loss. **Inverse floaters** are sensitive to early prepayment risk and interest rate changes and are more volatile than most other fixed-income securities. **Illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). **Zero coupon securities** are more sensitive to interest rate changes than comparable interest-paying securities. By investing in **municipal obligations**, the Fund may be susceptible to political, economic, regulatory or other factors affecting their issuers. **Portfolio Turnover.** Consistent with its investment policies, the Fund will purchase and sell securities without regard to the effect on portfolio turnover. Higher portfolio turnover will cause the Fund to incur additional transaction costs.

Morningstar: As of June 30, 2023. **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.

© 2023 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.

(4) Statistics shown are calculated versus the Bloomberg US Long Treasury Index when an Index is used in the calculation.

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.