**Morgan Stanley Institutional Fund**

**US Core Portfolio**

**Investment Objective:** Seeks long-term capital appreciation.

**Investment Approach:** Seeks to outperform the benchmark regardless of which investment style – value or growth – is currently in favor. Their flexible approach combines quantitative models with stock-specific research to identify 30-60 companies in the U.S. with attractive valuations, above-average appreciation potential and competitive dividend yields.

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

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

**Growth of Investment illustration is based on an initial investment of $10,000 made since fund inception, assumes annualized. Performance of other share classes will vary.**

**Investment Performance (% net of fees) in USD**

*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/ir 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.*

**Expense Ratios**

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 for Class I shares.

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**Morningstar Rankings - Class I**

<table>
<thead>
<tr>
<th>PERCENTILE</th>
<th>RANK/TOTAL IN CATEGORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 YR</td>
<td>2</td>
</tr>
<tr>
<td>3 YR</td>
<td>62</td>
</tr>
</tbody>
</table>

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

**Fund Facts**

- **Inception date:** May 27, 2016
- **Total net assets:** $18.75 million
- **Benchmark:** S&P 500 Total Return Index
- **Distribution frequency:** Annually

**Statistics (3 Year Annualized)**

<table>
<thead>
<tr>
<th>CLASS</th>
<th>INDEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha (%)</td>
<td>-2.71</td>
</tr>
<tr>
<td>Beta (vs. benchmark)</td>
<td>1.04</td>
</tr>
<tr>
<td>Excess return (%)</td>
<td>-2.23</td>
</tr>
<tr>
<td>Information ratio</td>
<td>-0.78</td>
</tr>
<tr>
<td>R squared</td>
<td>0.95</td>
</tr>
<tr>
<td>Sharpe ratio</td>
<td>0.89</td>
</tr>
<tr>
<td>Standard deviation (%)</td>
<td>12.84</td>
</tr>
<tr>
<td>Tracking error (%)</td>
<td>2.84</td>
</tr>
</tbody>
</table>

**Characteristics**

- Active share (%) | 80.86
- Number of holdings | 30
- Price/earnings (NTM)† | 20.38
- Turnover (%) | 50
- Weighted average market capitalization ($B) | 296.32

*Turnover is sourced from the fund’s current prospectus.

**Sector Allocation (% of Total Net Assets)†**

**Top Holdings (% of Total Net Assets)**

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**Notes:**

NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY loose VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT
May not sum to 100% due to the exclusion of other assets and liabilities.

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. **Forecasts/estimates** are based on current market conditions, subject to change, and may not necessarily come to pass. 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. A portfolio with a high degree of Active Share does not assure a fund’s relative outperformance. Active Share calculation may consolidate holdings with the same economic exposure. **Price/earnings (P/E)** is the price of a stock divided by its earnings per share. Sometimes called the multiple, P/E gives investors an idea of how much they are paying for a company’s earning power. **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.

**INDEX INFORMATION:** The S&P 500 Index measures the performance of the large cap segment of the U.S. equities market, covering approximately 80% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The S&P Index is one of the most widely used benchmarks of U.S. equity performance. The index is unmanaged and do 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 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. Accordingly, you can lose money investing in this fund. Please be aware that this fund may be subject to certain additional risks. In general, equities securities’ values also fluctuate in response to activities specific to a company. 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. Illiquid securities may be more difficult to sell and value than publicly traded securities (liquidity risk). **Non-diversified portfolios** often invest in a more limited number of issuers. As such, changes in the financial condition or market value of a single issuer may cause greater volatility. **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.

**Morningstar:** **Rankings and/or ratings** as of December 31, 2019. **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.