

Morgan Stanley Institutional Fund  
US Core Portfolio4Q18  
FACTSHEET**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

**Objective**

Seeks long-term capital appreciation.

**Lipper Category**

Large-Cap Core

**Morningstar Category**

Large Blend

**Investment Team**

	Joined Firm	Years of Investment Experience
Andrew Slimmon, Managing Director	1991	32
Phillip Kim, Executive Director	2005	15

**Investment Performance - Class I (% net of fees)**

% Average Annual Total Returns	1 Year	3 Year	5 Year	10 Year	Inception
Fund	-11.00	–	–	–	4.48
S&P 500 Total Return Index <sup>1</sup>	-4.38	–	–	–	9.26
Lipper Category Average	-5.64	–	–	–	–
Morningstar Category Average	-6.26	–	–	–	–

  

% Calendar Year Returns	4Q18	YTD 2018	2017	2016	2015	2014
Fund	-16.52	-11.00	-11.00	19.33	–	–
S&P 500 Total Return Index	-13.52	-4.38	-4.38	21.83	–	–
Lipper Category Average	-13.44	-5.64	-5.64	20.65	–	–
Morningstar Category Average	-13.53	-6.26	-6.26	20.44	–	–

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](http://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.

Short-term returns may not be indicative of the fund's long-term performance potential. A fund's performance, especially for very short time periods, should not be the sole factor in making an investment decision.

Expense Ratios	Symbol	Cusip	Gross (%)	Net (%)
Class A	MUOAX	61766J831	3.23	1.15
Class C	MUOCX	61766J823	3.94	1.90
Class I	MUOIX	61766J849	2.78	0.78
Class IS	MUOSX	61766J815	19.96	0.75

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.

**Fund Facts**

Inception date	May 27, 2016
Total net assets (\$MM)	\$ 11.1
Benchmark	S&P 500 Total Return Index
Distribution frequency	At least annually

**Portfolio Characteristics**

	Fund	Index
Active share (%)	82.96	–
Number of holdings	26	505
Price/earnings (NTM) <sup>2</sup>	15.16	15.07
Turnover (%)*	57	–
Weighted average market capitalization (\$B)	183.64	183.15

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

	Fund	Index
Information Technology	23.80	20.12
Health Care	17.60	15.54
Consumer Staples	15.27	7.41
Financials	11.64	13.31
Consumer Discretionary	9.21	9.94
Energy	8.75	5.32
Industrials	7.79	9.20
Communication Services	3.31	10.12
Materials	0.41	2.73
Cash	3.73	–

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

	Fund	Index
MasterCard Inc	8.04	0.82
Microsoft Corp	7.30	3.73
Estee Lauder Co. Inc	6.55	0.14
JP Morgan Chase & Co.	5.70	1.54
Danaher Corp	5.54	0.30
Cigna Corp	5.30	0.34
Apple Inc	5.17	3.38
Constellation Brands Inc	4.67	0.13
Starbucks Corp	4.22	0.38
Amgen Inc	4.14	0.59
<b>Total</b>	<b>56.63</b>	<b>–</b>

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 presented.

The index data displayed under characteristics and allocations are calculated using MSIM and other third-party methodologies and may differ from data published by the vendor.

#### PORTFOLIO CHARACTERISTICS 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 a stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500. **Forecast and estimates are subject to change and may not necessarily come to pass due to changing market and/or economic conditions.**

#### 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. Investments in foreign markets entail special risks such as currency, political, economic, market and liquidity risks. 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.

#### OTHER CONSIDERATIONS

<sup>1</sup> 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.

<sup>2</sup> NTM = Next Twelve Months.

\* Turnover is sourced from the fund's current prospectus.

**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](http://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.