

MORGAN STANLEY INSTITUTIONAL FUND TRUST (MSIFT) Global Strategist Portfolio



Morningstar Overall Rating

CLASS I SHARES – SYMBOL: MPBAX

Out of 338 Funds; Based on Risk Adjusted Returns

Morningstar Category: Global Allocation

Data as of June 30, 2024

SOLUTIONS & MULTI ASSET | GLOBAL MULTI-ASSET TEAM | BI-WEEKLY FUND ANALYSIS | JULY 15, 2024

Commentary as of July 15, 2024

- Global bond and equity markets rallied +1.8% and +3.4% in the first half of the month (JPM GBI and MSCI ACWI in USD), following another soft CPI inflation print and robust economic growth data. Global and U.S. PMIs continued to tick up, albeit at a slower pace, and continued to support the narrative of sustained global growth. The U.S. labor market showed welcomed signs of slowing down as the unemployment rate rose again to 4.1% and payrolls cooled off to 206k in June, bringing the three-month average pace to 177k from 249k in May. Average hourly earnings also decelerated, increasing 0.3% m/m and 3.9% y/y (from 0.4% and 4.1% prior). Bond investors adjusted their rate expectations following the softer inflation and labor data by pricing in 67bps of cuts by year-end compared to just 45bps at the beginning of the July. Government bond yields fell, led by -17bps and -18bps declines in the U.S. and French 10-year yield, respectively. In political news, the second round of French parliament elections resulted in a surprise victory for the left-wing coalition and only a third place for the far-right NR, although no party was able to achieve an absolute majority. With the new parliament deeply split, it remains unclear if a new coalition can be formed or a motion of no confidence will be brought forward.
- In the U.S., core CPI inflation rose just +0.06% in June, its slowest pace since January 2021, bringing the y/y figure to 3.27%. Both numbers came in 0.1% below expectations. Major items contributing to the low CPI data were a -5.0% decline in airfares and a -2.0% decline in lodging. The report also provided evidence that catch-up inflation started to fade as shelter inflation slowed significantly to pre-pandemic levels, encouraging economists to believe that the lower trend in inflation might be sustainable. The inflation print was widely interpreted as the good news the Fed was looking for to start cutting rates in Q3, and subsequently caused investors to fully price in the first rate cut for the FOMC September meeting. In the eurozone, headline inflation rose +0.2% m/m, bringing the y/y estimate to +2.5% and core to 2.9%. The weaker June data was led by a slowdown in services inflation, while core goods prices firmed slightly. In China, headline CPI eased to +0.2% y/y in June and core remained steady at +0.6% y/y as China's supply-side focused policy, weak domestic demand, and excess capacity continued to weigh on prices.
- Within equities, tech and consumer discretionary led (MSCI ACWI Information Technology +4.7% and Consumer Discretionary +3.7% in USD), while defensive sectors such as health care and staples lagged (MSCI ACWI Health Care +1.8%, Consumer Staples +1.5% in USD). Financials also fared well during the period as investment banks reported better earnings in their capital markets divisions and U.S. regional banks gained disproportionately from the prospect of near-term rate cuts (KBW Regional Banks +9.2%). Within factors, Growth outperformed Value, increasing +3.7% compared to +3.0% for Value (MSCI ACWI Growth and Value in USD), while Small Cap stood out with its +6.8% gain on assumed benefits from a second Trump administration.
- Commodities fell -0.7% (S&P GSCI) driven by a -1.8% decline in oil prices (Brent spot) due to rising oil inventories during the period. Precious metals offset some of the weakness in energy commodities (S&P GSCI Precious Metals +4.2%) as silver and gold rose +5.3% and +4.1%, respectively, benefitting from the increasing expectations of Fed interest rate cuts.
- In the first two weeks of the month, the MSIFT Global Strategist Portfolio fund outperformed its multi-asset benchmark index by +18bps. Contributors to performance included our overweights in South African 10-Year bonds vs. U.S. 10-Year Treasuries and in EMU domestic stocks vs. U.S. domestic stocks. Our overweights in the Turkish lira and the Euro, both vs. the U.S. dollar, also contributed. The most significant detractor from performance was an overweight in EM (ex-China and India) Profitable and Stable Value stocks vs. EM Equities.
- During the first half of July, we increased our overweight position in both EMU domestics vs. US. Domestics and EMU banks stocks vs. EMU equities as the French snap parliamentary results were much more benign than expected, eliminating tail risks. Both the far-right and far-left parties failed to gain an absolute majority, meaning little will be done in terms of new fiscal spending or to disrupt our confidence in EMU growth.

Past performance is not indicative of future results. Growth of Investment illustration is based on an initial investment of \$100, assumes reinvestment of dividends and capital gains and application of fees. Results are hypothetical. Tables may not sum to 100%. Information shown is subject to change daily, is provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security. Asset allocation does not eliminate the risk of loss. The views, opinions, forecasts and estimates expressed are those of the Global Multi-Asset Team and are subject to change based on economic or market conditions, and may not necessarily come to pass. These comments are not representative of the opinions and views of the firm as a whole.

Morningstar Rankings¹ - Class I as of June 30, 2024

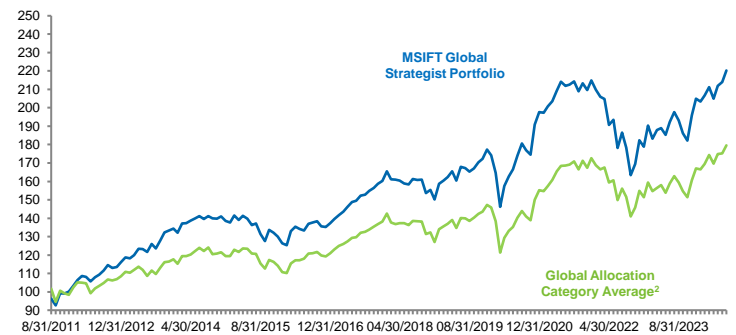
	Percentile	Rank/Total In Category
1 Yr	42	135/351
3 Yr	69	242/338
5 Yr	54	187/320
10 Yr	42	110/240

Source: Morningstar, Inc. Rankings are based on total returns, are historical and do not guarantee future results. For additional Morningstar information, refer to the disclosures on the next page.

Investment Performance (% Net of Fees: Annualized Total Returns) As of July 15, 2024

	MTD	QTD	YTD	Since Team Change ²	Since Inception
MSIFT - Global Strategist Portfolio - I (Net)	2.9	2.9	7.4	6.7	6.9
Morningstar Global Allocation (Average) ¹	2.5	2.5	7.5	4.5	6.5
Global Multi-Asset Index ³	2.7	2.7	8.2	6.8	7.2

MSIFT Global Strategist Portfolio I Shares (Net) vs. Morningstar Category (Average)² as of July 15, 2024



Asset Allocation⁴ (%) as of July 15, 2024

	Net Portfolio (%)	Benchmark (%)	Active Weight (%)
GLOBAL EQUITY	60.3	60.4	-0.1
Developed Markets	54.8	54.2	0.6
U.S. & Canada	38.7	40.6	-1.9
Europe	11.3	8.9	2.4
Japan	3.2	3.1	0.1
Asia ex-Japan	1.6	1.6	0.0
Emerging Markets	5.5	6.2	-0.7
GLOBAL FIXED INCOME⁵	44.5	39.6	4.9
Developed Markets	31.4	33.6	-2.2
U.S. & Canada	23.8	16.4	7.4
Europe	8.5	11.3	-2.8
Japan	-1.5	5.1	-6.6
Asia ex-Japan	0.6	0.8	-0.2
Emerging Markets	13.1	6.0	7.1
COMMODITIES	-1.0	0.0	-1.0
Brent Crude Oil	0.3	0.0	0.3
Gold	-1.5	0.0	-1.5
Bitcoin	0.2	0.0	0.2
CASH	-3.8	0.0	-3.8

Contribution to Gross Excess Return (%) as of July 15, 2024

	MTD	QTD	YTD	Since Team Change ²
Equity	0.1	0.1	-0.5	-0.2
Fixed Income	0.1	0.1	0.3	0.4
Commodities	0.0	0.0	0.0	0.3
Cash / Currency	0.1	0.1	-0.1	0.2

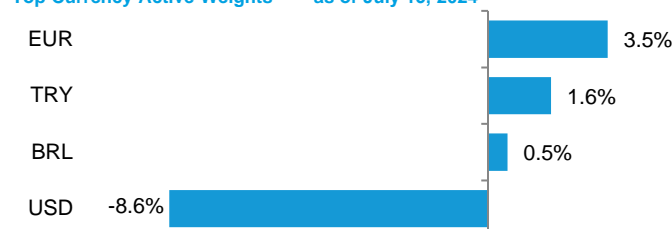
Top Fixed Income Positions⁽²⁾ (%) as of July 15, 2024

	Rating ⁽⁸⁾	Gross OW ⁽⁶⁾	Gross UW ⁽⁶⁾	Net ⁽⁷⁾
UW Japan 10-Year Bonds / OW U.S. 10-Year Treasuries	NR/NR	1.0	-4.2	-3.2
OW China 5- & 10-Year Bonds	NR	3.2	0.0	3.2
UW Gold / OW U.S. 10-Year TIPS & DM FX	NR / NR	2.1	-1.5	0.6
OW South African 10-Year Bonds / UW U.S. 10-Year Treasuries	NR / NR	1.8	-0.3	1.5
OW U.S. 10-Year Treasuries	NR	1.7	0.0	1.7
OW Greece 10-Year Bonds / UW Italy 10-Year Bonds	B+ / NR	0.8	-0.8	0.0
OW Brazil 4-Yr Bonds / UW U.S. 5-Year Treasuries	NR / NR	0.5	-0.2	0.3
OW EUR 10-Year Inflation Swaps / OW Brent Oil Futures	NR/NR	0.3	-0.3	0.0
TOTAL EXPOSURE		11.4	-7.3	4.1

Top Thematic Equity Positions (%) as of July 15, 2024

	Gross OW ⁽⁶⁾	Gross UW ⁽⁶⁾	Net ⁽⁷⁾
OW EMU Domestic Stocks / UW U.S Domestic Stocks	2.2	-2.2	0.0
OW EMU Profitable & Stable Value Stocks / UW Low-Quality Anti-Value Stocks	1.9	-1.9	0.0
OW EM (ex-CN & IN) Profitable & Stable Value Stocks / UW EM Equities	1.6	-1.6	0.0
OW EMU Large-Cap Value Stocks / UW Large-Cap Anti-Value Stocks	1.5	-1.5	0.0
OW EMU Bank Stocks / UW EMU Equities	1.4	-1.4	0.0
OW Japan & Korean Value Stocks / UW Anti-Value Stocks	1.2	-1.2	0.0
OW South African Bank Stocks / UW EM Equities	0.7	-0.7	0.0
UW Chinese Equities / OW Global Equities	0.7	-0.7	0.0
TOTAL EXPOSURE	11.2	-11.2	0.0

Top Currency Active Weights^{(7),(9)} as of July 15, 2024



Performance (%) as of June 30, 2024 (Class I Shares at NAV)*

	MTD	QTD	YTD	1 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION 12/31/1992
MSIFT Global Strategist Portfolio	2.89	2.89	7.41	12.19	5.37	4.54	6.93
MSCI All Country World Index ¹⁰	3.52	3.52	14.16	19.98	10.80	8.56	NA
Global Multi-Asset Index ³	2.71	2.71	8.19	12.67	6.11	5.05	7.24

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.

The gross expense ratio is 0.84%. The net expense ratio is 0.74% for the Class I shares. The net expense ratio is lower than the gross expense ratio because 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 in effect as of the date of this fact sheet. For information on the applicable fund's current fees and expenses, please see the fund's current prospectus. The minimum initial investment is \$1,000,000.

Table / Chart Footnotes:

*Returns are net of fees and assume the reinvestment of all dividends and income. They are compared to an unmanaged market index. Returns for less than one year are cumulative (not annualized). The returns are reported for Class I shares. Performance for other share classes will vary.

1. Category Average : Morningstar Global Allocation. Fund Ratings out of 5 Stars: 3 Yrs. 3 Stars (338 funds rated); 5 Yrs. 3 Stars (320 funds rated); 10 Yrs. 3 Stars (240 funds rated). Ratings as of June 30, 2024. 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. 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. Ratings do not take into account sales loads. **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. Please visit morganstanley.com/im for the latest month-end Morningstar information.

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- Since Investment team change on August 15, 2011, when current portfolio management team took over management of this strategy.
- Global Multi-Asset 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 Global Aggregate Bond Index, 5% S&P GSCI Light Energy Index, and 5% ICE BofAML U.S. Dollar 1-Month LIBID Average Index prior to 5/31/2017 and the new Blended Index which consists of 60% MSCI All-Country World Index and 40% Bloomberg Global Aggregate Bond Index for periods thereafter. The composition of the Customized MSIM Global Allocation Index (Blended Index), the secondary benchmark index of the Global Strategist Portfolio, has been changed effective May 31, 2017. The investment team manages the Portfolio relative to this Blended Index. It is not possible to invest directly in an index.
- Holdings and weightings are subject to change daily. Portfolio compositions may change depending on market conditions and objectives. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell securities in the regions or asset classes referenced.
- Fixed income net and gross exposure is duration adjusted into benchmark duration equivalent exposures; the duration of the portfolio benchmark as of 06/30/2024 is approximately 6.5 years. Cash has been adjusted to reflect the impact of duration-adjusting the fixed income positions.
- Gross exposure % calculated as [(MV of overweight cash security and derivative positions)+(absolute value of MV in underweight derivative positions)]/(portfolio MV). Fixed income gross exposure has been duration adjusted (10-Year U.S. Treasury equivalents).

7. Net exposure % calculated as $\frac{[(MV \text{ of overweight cash security and derivative positions}) - (\text{absolute value of } MV \text{ in an underweight derivative positions})]}{(\text{portfolio } MV)}$. Fixed income net exposure has been duration adjusted (10-Year U.S. Treasury equivalents).
8. Ratings for cash bonds have been obtained from Standard & Poor's Ratings Group. S&P's credit ratings express its opinion about the ability and willingness of an issuer to meet its financial obligations in full and on time. 'AAA' is the highest rating. Any rating below 'BBB-' rating is considered non-investment grade. Ratings are relative and subjective and are not absolute standards of quality. Ratings apply only to the underlying holdings of the portfolio and does not remove market risk. "NR" or "Not Rated" indicates that no rating has been requested, that there is insufficient information on which to base a rating, or that S&P does not rate a particular obligation as a matter of policy. Futures, swaps, and credit default swaps (CDS/CDX) are not rated (NR).
9. Currency exposure is relative to the Portfolio's base currency (USD).
10. The MSCI All Country World Index is a free float-adjusted market capitalization weighted index designed to measure developed and emerging equity market performance. 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.

Commentary Footnotes:

All performance figures are for the two-week period ending Jun 30, 2024. Source: Bloomberg; the indices are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an index. **Basis Point** One basis point = 0.01%

The **Bloomberg Global Aggregate Index (LEGATRUU)** is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

The **EURO STOXX 50 Index (SX5E)**, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of super sector leaders in the region. The index covers 50 stocks from 11 Eurozone countries.

The **JPMorgan Emerging Market Currency Index (EMCI)** is a tradable benchmark for emerging market currencies vs. the U.S. dollar. The index is comprised of 10 currencies: BRL, CLP, CNH, HUF, INR, MXN, RUB, SGD, TRY and ZAR.

The **MSCI All Country World Index (MSCI ACWI)** is a free-float, market-capitalization weighted index designed to measure the equity market performance of emerging and developed world 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 **MSCI Emerging Markets (MXEF)** is a free-float weighted equity index that captures large and mid-cap representation across emerging market countries.

The **S&P GSCI Light Energy Index (SPGSLI)**, a sub-index of the S&P GSCI. It contains the same Designated Contracts as the S&P GSCI, but its Contract Production Weights (CPWs) in the energy sector are divided by four, increasing the relative weights of non-energy S&P GSCI constituents and thereby providing a diversified benchmark of broad commodity market performance. Therefore, the index offers a commodity exposure that is more evenly weighted across the five major commodity sectors: energy, industrial metals, precious metals, agriculture, and livestock.

The **S&P GSCI Industrial Metals Index (SPGSIN)** provides investors with a publicly available benchmark for investment performance in the industrial metals market.

The **S&P GSCI Precious Metals Index (SPGSPMTR)** provides investors with a publicly available benchmark for investment performance in the precious metals market.

The **S&P 500 Index (SPX)** is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

The **U.S. Dollar Index (DXY)** is an index of the value of the U.S. dollar relative to a basket of foreign currencies. The Index goes up when the U.S. dollar gains "strength" (value) when compared to other currencies.

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. In general, **equity 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. **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. **Longer-term securities** may be more sensitive to interest rate changes. In a declining interest-rate environment, the portfolio may generate less income.

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 The issuer or governmental authority that controls the repayment of **sovereign debt** may not be willing or able to repay the principal and/ or pay interest when due in accordance with the terms of such obligations. 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. **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. **Restricted and illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). **Derivative instruments** can be illiquid, may disproportionately increase losses and may have a potentially large negative impact on the Portfolio's performance. Trading in, and investment exposure to, the **commodities** markets may involve substantial risks and subject the Portfolio to greater volatility. **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. 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.

LIBOR Discontinuance or Unavailability Risk. The regulatory authority that oversees financial services firms and financial markets in the U.K. has announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions for purposes of determining the LIBOR rate. As a result, it is possible that commencing in 2022, LIBOR may no longer be available or no longer deemed an appropriate reference rate upon which to determine the interest rate on or impacting certain derivatives and other instruments or investments comprising some of the Fund's portfolio. **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.

Please consider the investment objective, risks, charges and expenses of the portfolio carefully before investing. The prospectus contains this and other information about the portfolio. To obtain a prospectus, download one at morganstanley.com/im or call 1-800-548-7786. Please read the prospectus carefully which includes the applicable fund's current fees and expenses, if different from those in effect as of the date of this fact sheet, before you invest or send money.

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