

Quarterly Fixed Income Fund Spotlight

GLOBAL FIXED INCOME TEAM | SPOTLIGHT | JUNE 30, 2021

PRODUCT	MS GLOBAL FIXED INCOME OPPORTUNITIES - I SHARES	MSIFT CORE PLUS FIXED INCOME PORTFOLIO - I SHARES	MSIF EMERGING MARKETS FIXED INCOME OPPORTUNITIES - I SHARES	MSIFT HIGH YIELD PORTFOLIO - I SHARES	MS MORTGAGE SECURITIES TRUST - I SHARES
Portfolio Managers	Michael B. Kushma, Christian G. Roth, Jim Caron, Richard Ford, Utkarsh Sharma	Neil Stone, Jim Caron, Gregory A. Finck, Joseph Mehlman, Matthew C. Dunning	Eric Baurmeister, Warren Mar, Sahil Tandon, Budi Suharto	Richard Lindquist, Jack Cimarosa	Gregory A. Finck, Neil Stone
Share Class: Ticker	I: DINDX A: DINAX C: MSIPX	I: MPFIX A: MFXAX C: MSCCKX	I: MEAIX A: MEAPX C: MSEDX	I: MSYIX A: MSYPX C: MSHDX	I: MTGDY A: MTGAX C: MSMTX
Fund Inception Date	July 28, 1997	November 14, 1984	May 24, 2012	February 07, 2012	July 28, 1997
Index	Bloomberg Barclays Global Aggregate Hedged USD Index	Bloomberg Barclays U.S. Aggregate Index	JP Morgan Emerging Markets Blended Index - Equal Weighted	Bloomberg Barclays U.S. Corporate High Yield Index	Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index
Distribution Frequency	Monthly	Monthly	Quarterly	Monthly	Monthly
Fund Total Assets	\$1.1 Bn	\$1.0 Bn	\$39.15 Mn	\$192.85 Mn	\$213.78 Mn
Expense Ratio	Gross 0.56% Net 0.56%	Gross 0.64% Net 0.42%	Gross 1.53% Net 0.85%	Gross 1.02% Net 0.65%	Gross 0.91% Net 0.70%
Morningstar Category	Multisector Bond	Intermediate Core-Plus Bond	Emerging Markets Bond	High Yield Bond	Intermediate Core-Plus Bond
Morningstar Rating™ (# of funds)*	★★★★ (289 Funds)	★★★★★ (550 Funds)	★★★ (245 Funds)	★★★★ (634 Funds)	★★★★★ (550 Funds)
Morningstar Rankings	Percentile Rank/# of funds	Percentile Rank/# of funds	Percentile Rank/# of funds	Percentile Rank/# of funds	Percentile Rank/# of funds
1 YR	84% 315 of 347	39% 249 of 587	44% 111 of 273	25% 178 of 683	10% 53 of 587
3 YR	65% 200 of 289	31% 184 of 550	58% 150 of 245	67% 438 of 634	90% 508 of 550
5 YR	37% 101 of 256	7% 28 of 478	46% 95 of 196	21% 103 of 556	16% 72 of 478
10 YR	24% 31 of 134	3% 5 of 341			7% 13 of 341
Investment Performance (% net of fees)	Class I Shares Index Blended Index¹	Class I Shares Index	Class I Shares Index Blended Index²	Class I Shares Index	Class I Shares Index
1 YR	5.18 0.08 0.08	3.00 -0.33	9.54 7.63 7.63	16.57 15.37	5.59 -0.42
3 YR	4.93 4.59 4.59	6.18 5.34	5.89 6.17 6.06	5.79 7.45	4.31 3.78
5 YR	5.13 2.98 2.02	5.09 3.03	4.75 4.69 4.53	7.15 7.48	4.53 2.27
10 YR	5.06 3.87 1.90	5.43 3.39	-- -- --	-- -- --	4.88 2.64
Statistics (3 Year annualised)	Class I Shares	Class I Shares	Class I Shares	Class I Shares	Class I Shares
Beta (vs. benchmark)	1.14	1.10	1.25	1.14	0.03
R squared	0.31	0.60	0.98	0.96	0.00
Sharpe ratio	0.58	0.99	0.37	0.41	0.52
Standard deviation (%)	6.30	4.93	12.48	10.91	5.81
Characteristics	Fund	Fund	Fund	Fund	Fund
Duration (years)	3.10	6.11	5.89	3.40	2.89
SEC 30-day yield subsidized (%) ³	2.70	2.21	4.23	3.96	2.56
SEC 30-day yield unsubsidized (%) ³	2.70	2.00	3.46	3.56	2.41

¹ Performance and risk statistics shown are based on the Blended Index which is calculated using the Bloomberg Barclays Global Aggregate Index from inception through 12/31/2016 and the Bloomberg Barclays Global Aggregate Hedged USD Index thereafter.

² Custom Benchmark refers to performance of Fund's benchmarks since inception: Fund Inception - Sep 25, 2015: JP Morgan Emerging Markets Bond Global Index (EMBI Global Index); Sep 26, 2015 - 12/31/19: 1/3 JP Morgan EMBI Global Index, 1/3 JP Morgan GBI-EM Global Diversified Index, 1/3 JP Morgan CEMBI Broad Diversified Index; 12/31/19 and beyond - JP Morgan Emerging Markets Blended Index (JEMB) - Equal Weighted.

³ Class I Shares.

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, ratings and characteristics may differ for other share classes.

See back for more details. Net of fees returns assume the reinvestment of all dividends and income. Returns for less than one year are cumulative (not annualized). Returns should not be a sole factor in an investment decision. An investor should review the fund's prospectus. 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/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 ratings are based upon risk adjusted return. Morningstar ranking based on total returns.

The MSIFT Core Plus Fixed Income Portfolio and the MS Mortgage Securities Trust funds have 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. Please visit www.morganstanley.com/im for additional details.

DEFINITIONS: **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. **R squared** measures how well an investment's returns correlate to an index. An R squared of 100 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. **Sharpe ratio** is a risk-adjusted measure calculated as the ratio of excess return to standard deviation. The Sharpe ratio determines reward per unit of risk. The higher the Sharpe ratio, the better the historical risk-adjusted performance. **Standard deviation** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value.

Past performance is not indicative of future results.

These indices are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an index. The **Bloomberg Barclays Global Aggregate Index (Unhedged)** provides a broad-based measure of the global investment grade fixed-rate debt markets. Total Returns shown in unhedged USD. The **Bloomberg Barclays Global Aggregate Hedged USD Index** provides a broad-based measure of the global investment grade fixed-rate debt markets. Total Returns shown in hedged USD. The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to invest directly in an index. 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, excluding emerging market debt. The **Bloomberg Barclays U.S. Aggregate Index** tracks the performance of all U.S. government agency and Treasury securities, investment-grade corporate debt securities, agency mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities. The **Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index** tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). This Index is the Mortgage Backed Securities Fixed Rate component of the Bloomberg Barclays U.S. Aggregate Index. The **JP Morgan Emerging Markets Blended Index - Equal weighted** is comprised of 1/3 **JP Morgan Emerging Markets Bond Global Diversified Index** (tracks total returns for traded external debt instruments in the emerging markets, and is an expanded version of the EMBI+). As with the EMBI+, the EMBI Global includes US dollar-denominated Brady bonds, loans, and Eurobonds with an outstanding face value of at least \$500 million), 1/3 **JP Morgan GBI-EM Global Diversified Index** (a comprehensive global local emerging markets index that consists of regularly traded, liquid fixed-rate, domestic currency government bonds and includes only the countries which give access to their capital market to foreign investors (excludes China, India), and 1/3 **JP Morgan CEMBI Broad Diversified Index** (a global, liquid corporate emerging-markets benchmark that tracks U.S.-denominated corporate bonds issued by emerging-markets entities). See applicable prospectus for details.

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 these portfolios. Please be aware that these portfolios 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. **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. 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. 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. **Sovereign debt securities** are subject to default risk. **Public bank loans** are subject to liquidity risk and the credit risks of lower rated securities. **Foreign securities** are subject to currency, political, economic and market risks. The risks of investing in **emerging-market** countries are greater than the risks generally associated with foreign investments. **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. **Restricted and illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). **Municipal securities** are subject to early redemption risk and sensitive to tax, legislative and political changes. **High yield securities ("junk bonds")** are lower rated securities that may have a higher degree of credit and liquidity risk. **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. **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. **Inverse floaters** are sensitive to early prepayment risk and interest rate changes and are more volatile than most other fixed-income securities.

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 is the asset management division of Morgan Stanley.

***Morgan Stanley Global Fixed Income Opportunities Fund:** Class I Shares 3 year 3 Stars out of 289 funds, 5 year 4 Stars out of 256 funds, 10 year 4 Stars out of 134 funds. **Morgan Stanley Institutional Fund Trust Core Plus Fixed Income Portfolio:** Class I Shares 3 year 4 Stars out of 550 funds, 5 year 5 Stars out of 478 funds, 10 year 5 Stars out of 341 funds. **Morgan Stanley Institutional Fund Emerging Markets Fixed Income Opportunities Portfolio:** Class I Shares 3 year 3 Stars out of 245 funds, 5 year 3 Stars out of 196 funds. **Morgan Stanley Institutional Fund Trust High Yield Portfolio:** Class I Shares 3 year 2 Stars out of 634 funds, 5 year 4 Stars out of 556 funds. **Morgan Stanley Mortgage Securities Trust:** Class I Shares 3 year 1 Stars out of 550 funds, 5 year 4 Stars out of 478 funds, 10 year 5 Stars out of 341 funds.

Morningstar: Rankings and ratings as of June 30, 2021. **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. **Ratings:** 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. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. 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. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account sales loads. © 2021 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.