

Morgan Stanley Institutional Fund Trust Ultra-Short Municipal Income Portfolio (Class IR)

Investment Objective

The Morgan Stanley Institutional Fund Trust (MSIFT) Ultra-Short Municipal Income Portfolio seeks current income exempt from federal income tax and capital preservation while maintaining liquidity.

Investment Philosophy

We believe that a conservative ultra-short municipal bond fund offers a compelling strategy that seeks to deliver current income exempt from federal income tax while maintaining a focus on preserving capital and liquidity.

Investment Process

The management team follows a multi-pronged investment process with respect to credit risk, interest rate risk and liquidity. Securities are reviewed on an ongoing basis on their ability to maintain creditworthiness taking into consideration factors such as cash flow, asset quality, debt service coverage ratios and economic developments. Additionally, exposure to guarantors and liquidity providers is monitored separately as are the various diversification requirements. The team manages the Portfolio's assets in an attempt to reduce credit or interest rate risks.

Fund Highlights

The MSIFT Ultra-Short Municipal Income Portfolio seeks to offer the following benefits:

- Diversified portfolio¹
- Managed by members of the experienced and specialized portfolio management team that manages the Morgan Stanley Liquidity funds.

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

| % Average Annual Total Returns | 1 Year | 3 Year | 5 Year | 10 Year | Inception | | | | | | | |
|--|----------|----------|----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|
| Fund | — | — | — | — | 0.43 | | | | | | | |
| Bloomberg BVAL Municipal AAA Yield Curve (callable) 3 month Index ² | — | — | — | — | 2.19 | | | | | | | |
| % Calendar Year Returns | MTD | YTD | 2018 | 2017 | 2016 | 2015 | 2014 | | | | | |
| Fund | 0.13 | 0.65 | — | — | — | — | — | | | | | |
| Bloomberg BVAL Municipal AAA Yield Curve (callable) 3 month Index ² | 0.13 | 2.37 | — | — | — | — | — | | | | | |
| % Average Annualized Monthly Net Yield (SEC 30-day Yield) | | | | | | | | | | | | |
| | May 2019 | Apr 2019 | Mar 2019 | Feb 2019 | Jan 2019 | Dec 2018 | Nov 2018 | Oct 2018 | Sep 2018 | Aug 2018 | Jul 2018 | Jun 2018 |
| Fund (Subsidized) | 1.52 | 1.72 | 1.57 | 1.60 | 1.33 | — | — | — | — | — | — | — |
| Fund (Unsubsidized) | 1.14 | 1.17 | 0.75 | 0.73 | 0.46 | — | — | — | — | — | — | — |

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. Yields are subsidized and subject to change.

*Average Annual Total Returns are as of March 31, 2019. All other performance and fund information is as of May 31, 2019, 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. 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 your investment decision.

| Expense Ratios | Symbol | Cusip | Gross (%) | Net (%) |
|----------------|--------|-----------|-----------|---------|
| Class IR | MULMX | 617455514 | 0.40 | 0.25 |

The fee waivers and/or expense reimbursements will continue for at least one year or until such time as the Board of Trustees of Morgan Stanley Institutional Fund Trust (the "Fund") acts to discontinue all or a portion of such waivers and/or reimbursements when it deems such action is appropriate. In addition, the Distributor, Adviser and Administrator may make additional voluntary fee waivers and/or expense reimbursements. The Distributor, Adviser and Administrator may discontinue these voluntary fee waivers and/or expense reimbursements at any time in the future. Absent such waivers and/or reimbursements, returns would have been lower. Expenses are based on the fund's current prospectus.

Fund Facts

| | |
|---------------------------------|---|
| Fund Assets (\$MM) | \$ 175.9 |
| Fund Inception Date | 12/19/2018 |
| Benchmark | Bloomberg BVAL Municipal AAA Yield Curve (callable) 3 month Index |
| Net Asset Value | \$ 10.00 |
| Distribution Frequency | Monthly |
| Purchase Deadline | 4 PM ET |
| Redemption Deadline | 4 PM ET |
| Minimum Initial Investment (\$) | 15,000,000 |

Fund Statistics

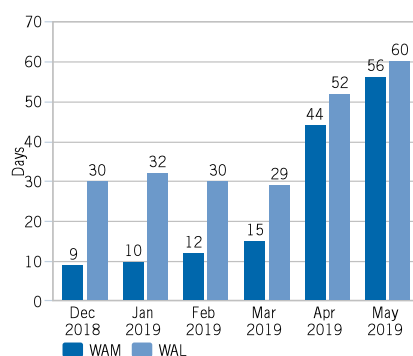
| | |
|--|------|
| Weighted Average Maturity (Days) | 56 |
| Weighted Average Life (Days) | 60 |
| 30-Day Taxable Equivalent SEC Yield Subsidized (%) | 2.42 |
| 30-Day Taxable Equivalent SEC Yield Unsubsidized (%) | 1.81 |
| 1-Day Current Yield Subsidized (%) | 1.52 |
| 1-Day Current Yield Unsubsidized (%) | 1.16 |
| 7-Day Current Yield Subsidized (%) | 1.45 |
| 7-Day Current Yield Unsubsidized (%) | 1.08 |
| SEC 30-day Yield Subsidized (%) | 1.52 |
| SEC 30-day Yield Unsubsidized (%) | 1.14 |
| 30-Day Effective Yield Subsidized (%) | 1.66 |
| 30-Day Effective Yield Unsubsidized (%) | 1.23 |

Quality Distribution (% of Market NAV)

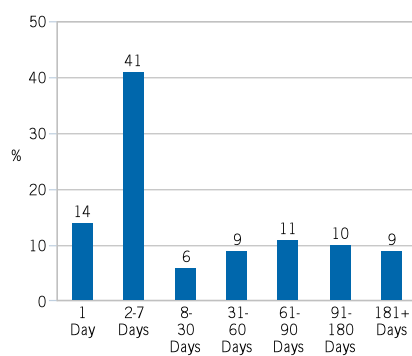
| | |
|---------|--------|
| A-1/P-1 | 100.00 |
|---------|--------|

Average Portfolio Maturity

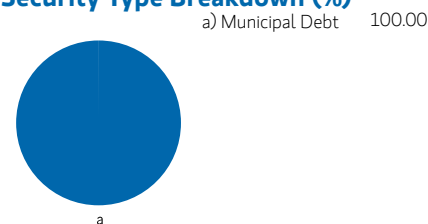
(Month-end figures)



Maturity Distribution



Security Type Breakdown (%)



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 securities mentioned or securities in the industries shown above.

The information herein is a general communications which is not impartial and has been prepared solely for information 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 material contained herein has not been based on a consideration of any individual client 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.

The Portfolio may invest a portion of its total assets in bonds that may subject certain investors to the federal Alternative Minimum Tax (AMT). Investors should consult their tax adviser for further information on tax implications.

PERFORMANCE DEFINITIONS

Nonsubsidized yield reflects what the yield would have been had a fee and/or expense waiver not been in place during the period shown. **Subsidized yield** current fee waivers in effect. Absent such fee waivers, the yield would have been lower. The **1-day and 7-day current yield** is an annualized net yield which assumes dividends are not reinvested in the fund. The **30-day effective yields** are annualized net yields that describe 1-year earnings assuming dividends are reinvested at the average rate of the last 30 days. **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. **Taxable equivalent yield** (also called equivalent taxable interest rate) is the return that is required on a taxable investment to make it equal to the return on a tax-exempt investment. The taxable equivalent yield is commonly used when evaluating municipal bond returns. The tax-equivalent yield takes into account an individual investor's current tax rate (37%) to determine whether an investment in a municipal bond is equivalent to a corresponding investment in a given taxable bond.

PORTFOLIO CHARACTERISTICS DEFINITIONS

Weighted average maturity measures the weighted average of the maturities of the portfolio's individual holdings, taking into account reset dates for floating rate securities. **Weighted average life** measures the weighted average of the maturities of the portfolio's individual holdings. **Quality distribution** refers to the rating given by S&P Global Ratings (S&P), a Nationally Recognized Statistical Rating Organization ("NRSRO") and is the rating firms' subjective opinion concerning the ability and willingness of an issuer to meet its financial obligations in full and on time. Ratings apply only to portfolio holdings and do not remove the Fund's market risk. A short-term obligation rated 'A-1' is rated in the highest category by S&P. A short-term rated 'A-2' by S&P is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. 'Cash' includes investments in short term instruments, including investments in Morgan Stanley liquidity funds.

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. Accordingly, you can lose money investing in these portfolios. Please be aware that these portfolios may be subject to certain additional risks. 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. 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 the current 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. **Municipal securities** are subject to early redemption risk and sensitive to tax, legislative and political changes. **Tender Option Bonds.** The risks of tender option bonds include the risk that the owner of such instrument may not be considered the owner for federal income tax purposes and thus will not be entitled to treat such interest as exempt from federal income tax. **Taxability Risk.** Changes in tax laws or adverse determinations by the Internal Revenue Service ("IRS") may make the income from some municipal obligations taxable. 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. **Restricted and illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). 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.

OTHER CONSIDERATIONS

¹ Diversification does not eliminate the risk of loss.

²**Bloomberg BVAL Municipal AAA Yield Curve (Callable) 3 Month Index:** BVAL Municipal AAA Benchmark Bloomberg's evaluated pricing service, BVAL, provides a municipal "AAA" 5% coupon benchmark yield curve that is the baseline curve for BVAL tax-exempt municipals. It is populated with high quality US municipal bonds with an average rating of "AAA" from Moody's and S&P. The yield curve is built using non-parametric fit of market data obtained from the Municipal Securities Rulemaking Board, new issues calendars, and other proprietary contributed prices. The benchmark is updated hourly and utilizes eligible "AAA" traded observations throughout the day and accessible on through Bloomberg services. The 3-Month curve is one data point of the overall BVAL Municipal AAA Benchmark Curve. The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to invest directly in an index.

This piece must be preceded or accompanied by the Portfolio's prospectus. The prospectus contains information about the Portfolio, including the investment objectives, risks, charges and expenses. Please read the prospectus carefully before investing.

Morgan Stanley Distribution, Inc. serves as the distributor for Morgan Stanley Institutional Liquidity Funds.

CONTACT DETAILS

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