

Multi-Asset Real Return Portfolio



Morningstar Overall Rating¹

CLASS I SHARES – SYMBOL: MRJIX

Out of 340 Funds; Based on Risk Adjusted Returns

Morningstar Category: Global Allocation

Data as of September 30, 2024

SOLUTIONS & MULTI ASSET | GLOBAL MULTI-ASSET TEAM | MONTHLY FUND ANALYSIS | Sep 30, 2024

Commentary

- Global bond and equity markets rose in September (JPM GBI +1.6%, MSCI ACWI +2.3%, in USD) as the Fed began its long-anticipated rate cutting cycle and China announced stimulus measures. The dollar fell -0.9% (DXY) while gold gained +5.2%.
- The Fed cut rates for the first time since the pandemic, announcing a 50bps cut and providing updated forecasts for the expected future path of policy rates. Following the FOMC meeting, the “dot plot” included an additional 50bps of cuts by year-end 2024 while the year-end rate for 2025 remained unchanged, indicating the Fed is ready to lower rates quickly without materially changing its longer-term baseline view. Although the Fed increased its forecasted unemployment rate for year-end 2025 to 4.4%, it continued to forecast above-trend growth, prompting Chair Powell to describe the Fed’s dual mandate as broadly balanced.
- In China, officials delivered a sweeping set of policy announcements including both monetary and fiscal stimulus intended to restore confidence in the country’s struggling economy. The PBoC announced several rate cuts and additional relief for the beleaguered housing and equity markets while the Politburo vowed to increase its fiscal expenditures and increased its emphasis on improving employment and domestic consumption.
- In the U.S., CPI headline inflation rose +0.2% in August (as expected), causing the y/y measure to fall from +2.9% to +2.5%. However, core inflation came in slightly higher than expected at +0.3% m/m (vs. +0.2% expected) driven by higher prices in housing and airfares. The y/y core inflation rate remained unchanged at +3.2%.
- In the eurozone, the ECB completed its widely expected move to cut its policy rate by 25bps to 3.5%. Revised ECB forecasts showed lower growth expectations through year-end and modestly higher core inflation for 2024 and 2025. Although the next cut is priced in for December, growth risks remained skewed to the downside and could lead to an additional cut in October. In China, deflationary trends persisted in August as core inflation was flat for the month and down -0.3% y/y, although headline inflation increased +0.6% y/y due to higher food prices
- The Fund gained +1.97% in September. Long positions in U.S. 10-year TIPS, gold and gold miners contributed to performance. A long in global materials stocks also contributed to performance. Detractors included longs in GSCI commodities and in global energy stocks. During the month, the Fund made no changes to its allocations, maintaining its longs in U.S. 10-year TIPS, gold, gold miners, and commodities and commodity-related equities.
- We continue to expect core annual inflation to fall to just over half a percent above the Fed’s goal through the remainder of the year and pause thereafter. Lagging shelter inflation is running at over 4.5% on a 3-month annualized rate, but new lease data implies further declines below 4% in the coming months. Wage growth trends have moved down below 4%, and various measures of slack continue to suggest labor costs should move to 3-3.5% in the coming quarters. Slowing income growth and job growth should result in U.S. GDP growth decelerating from above potential trends in Q3 to below trend in 2025. However, we are less concerned about recession risk compared to the prior months as the unemployment rate and rehiring rates have stabilized.

Performance (%)	MTD	QTD	YTD	SSC ²	Since Inception ³
MSIF Multi-Asset Real Return Portfolio - I (Net)	2.0	5.6	4.9	6.5	7.1
Morningstar Global Allocation (Average) ¹	1.6	5.8	11.0	2.6	4.7

² Since strategy change on August 31, 2021.

³ Annualized Performance. The Fund was inceptioned on June 18, 2018.

MARRS Portfolio I - Performance



Fund Top Currency Net Exposures (%)

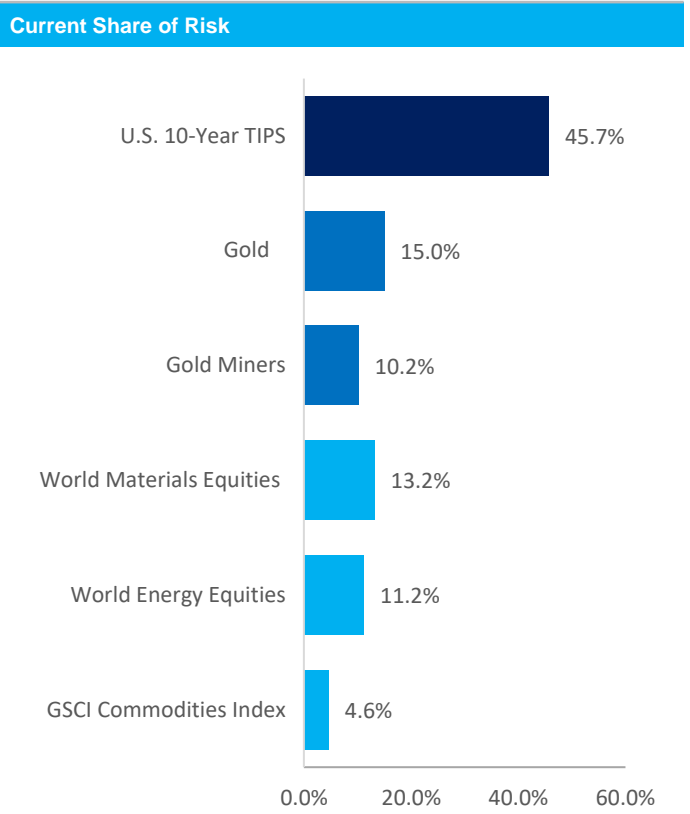
CAD	1.9%
GBP	1.7%
EUR	1.6%
AUD/NZD	1.5%
JPY	0.7%
CHF	0.6%
Other Developed	0.4%
SEK	0.1%
USD	-8.5%

Asset Allocation ⁴	Current Allocation (%)
Core Real Assets⁵	100.3%
U.S. 10-Year TIPS	65.9%
Gold	12.2%
World Materials Equities	8.6%
World Energy Equities	6.4%
GSCI Commodities Index	3.9%
Gold Miners	3.3%
Total Exposure (Net of Cash)	100.3%

Source: Morgan Stanley Investment Management; Bloomberg. All data is as of Sep 30, 2024, unless otherwise stated.

Past performance is not indicative of future results. 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.

Contribution to Absolute Performance	MTD	QTD	YTD
Core Real Assets ⁵	204	559	466
U.S. 10-Year TIPS	109	322	478
Gold	65	139	124
World Materials Equities	42	88	85
Gold Miners	13	57	71
Brent Oil	0	0	70
EU Energy Equities	0	0	9
U.S. Energy Equities	0	0	26
U.S. 10-Year TIPS	0	0	0
U.S. 30-Year TIPS	0	0	-270
GSCI Commodities Index	-3	-30	-74
World Energy Equities	-22	-17	-41
Opportunistic ⁶	0	0	-76
EMU Banks / U.S. Equities	0	0	0
U.S. 10-Year Inflation Breakevens	0	0	9
U.S. 5-Year / 5-Year Forward Inflation Breakevens	0	0	34
European Real Estate	0	0	-27
Eurozone 5-Year / 5-Year Inflation Swaps	0	0	-1
U.S. Defense Equities	0	0	-2
AUD / 25% CAD 25% GBP 50% USD	0	0	-23
U.S. Regional Banks	0	0	-38
U.S. REITs	0	0	-40
Cash / Inflation Replication	0	0	88
U.S. T-Bill	0	0	84
U.S. 1- to 3-Year TIPS	0	0	3
Other	7	19	86
Grand Total	212	588	561



MSIF Multi-Asset Real Return Portfolio I (net) Fund Rolling 22-Day Volatility (%)



Performance (%), Class I Shares at NAV) as of Sep 30, 2024	MTD	QTD	YTD	1 YEAR	5-YEAR	SSC ²	SINCE INCEPTION ³
MSIF Multi-Asset Real Return Portfolio I (Net)	2.0	5.6	4.9	14.5	7.9	6.5	7.1
U.S. Treasury Bills 1-3 Months ⁷	0.4	1.4	4.1	5.5	2.3	3.5	2.3
Multi-Asset Real Return Blended Benchmark ⁸	0.4	1.4	4.1	5.5	10.6	3.5	9.1
MSCI All Country World Index ⁹	1.7	6.0	17.5	30.5	11.3	5.7	9.3

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 3.22%. The net expense ratio is 0.80% 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. For information on the applicable fund's current fees and expenses, please see the fund's current prospectus. In effect as of the date of this fact sheet, the minimum initial investment is \$1,000,000.

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.

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.

Table / Chart Footnotes:

1. Category Average: Morningstar Global Allocation. Fund Ratings out of 5 Stars: 3 Yrs. 5 Stars (340 funds rated); 5 Yrs. 4 Stars (327 funds rated). Ratings as of September 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. © 2022 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.

2. Since strategy change on August 31, 2021. On August 31, 2021, the Fund's name changed to Multi-Asset Real Return Portfolio. As the result, there were changes to the Fund's Principal Investment Strategies, Risks, and Fund Management. See prospectus supplements for more information. The Fund's new benchmark is the Bloomberg US Treasury Bills 1-3 Months (USD) Index.

MULTI-ASSET REAL RETURN STRATEGY FUND

3. The Fund was inception on June 18, 2018.
4. 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.
5. Core real assets theme includes gold, inflation bonds, commodities, commodity-related equities.
6. Opportunistic theme includes inflation-sensitive assets other than gold, inflation bonds, commodities, commodity-related equities. Currency exposure is relative to the Portfolio's base currency (USD).
7. U.S. Treasury Bills 1-3 Months Index is the fund's current benchmark, since the strategy change on 8/31/2021.
8. The Blended Index uses the MSCI World Net Index from inception, June 18, 2018, until the strategy change on August 31, 2021 and the Bloomberg US Treasury Bills 1-3 Months Index thereafter.
9. MSCI ACWI was the Fund's benchmark from inception on 6/18/2018 to the strategy change on 8/31/2021.

Commentary Footnotes:

All performance figures are for the one-month period ending Sep 30, 2024. Returns for less than one year are cumulative (not annualized). 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. "Bloomberg®" and the Bloomberg Index/Indices used are service marks of Bloomberg Finance L.P. and its affiliates, and have been licensed for use for certain purposes by Morgan Stanley Investment Management (MSIM). Bloomberg is not affiliated with MSIM, does not approve, endorse, review, or recommend any product, and does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any product.

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 (SPGSLE)**, 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.

The **NYSE Arca Gold Miners Index** is a modified market capitalization weighted index comprised of publicly traded companies involved primarily in the mining for gold and silver.

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 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.

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, (which includes the applicable fund's current fees and expenses, if different from those in effect as of the date of this fact sheet), download one at morganstanley.com/im or call 1-800-548-7786. Please read the prospectus carefully before you invest or send money.

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. Morgan Stanley Distribution, Inc. serves as the distributor for all MSIF portfolios.

MSIM, the asset management division of Morgan Stanley (NYSE: MS), and its affiliates have arrangements in place to market each other's products and services. Each MSIM affiliate is regulated as appropriate in the jurisdiction it operates. MSIM's affiliates are: Eaton Vance Management (International) Limited, Eaton Vance Advisers International Ltd, Calvert Research and Management, Eaton Vance Management, Parametric Portfolio Associates LLC, Atlanta Capital Management LLC, Eaton Vance Management International (Asia) Pte. Ltd.

NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT