

# MORGAN STANLEY PATHWAY FUNDS (“TRUST”)

## SUPPLEMENT DATED February 26, 2021, TO THE STATUTORY AND SUMMARY PROSPECTUS DATED JANUARY 1, 2021

This Supplement provides new and additional information beyond that contained in the Prospectus and should be read in conjunction with such Prospectus.

### **HIGH YIELD FUND**

*Effective February 24, 2021, Eaton Vance Management (“Eaton Vance”) is no longer an investment sub-advisers of the High Yield Fund. As such, all references to Eaton Vance, are removed from the Prospectus.*

*Effective February 24, 2021, PineBridge Investments LLC (“PineBridge”) will commence as a new investment sub-advisers to the High Yield Fund.*

*Effective February 24, 2021, the target sub-adviser investment allocations of the High Yield Fund is a 50% allocation to PineBridge and a 50% allocation to Western Asset Management Company (“Western”).*

*Effective February 24, 2021, the following replaces the chart in the section titled “Sub-advisers and portfolio managers” related to the High Yield Fund on page 29 of the Prospectus:*

<b><u>Portfolio Manager</u></b>	<b><u>Sub-Adviser or Adviser</u></b>	<b><u>Fund’s Portfolio Manager Since</u></b>
John Yovanovic, Managing Director and Portfolio Manager	PineBridge	2021
Jeremy Burton, Managing Director and Portfolio Manager	PineBridge	2021
Michael C. Buchanan, CFA®, Deputy Chief Investment Officer	Western	2005
Walter E. Kilcullen, Portfolio Manager	Western	2017
S. Kenneth Leech, Chief Investment Officer	Western	2014

*Effective February 24, 2021, the following replaces the disclosure related to the High Yield Fund in the section titled “How the Sub-advisers select the Fund’s investments” on page 62 of the Prospectus:*

**PineBridge Investments LLC (“PineBridge”)** PineBridge’s High Yield Bond Strategy (the “strategy”) seeks to achieve its objective by investing primarily in a diversified portfolio of high-yield, lower-quality fixed-income securities of U.S. and foreign issuers, the risks of which are, in the judgement of PineBridge, consistent with the Strategy’s investment objective. PineBridge applies a team oriented fundamental analysis approach to the investment decision-making process to uncover value in the marketplace. By applying in-depth fundamental research to determine individual issuer weights as well as aggregate sector weights and by constantly monitoring those securities selected to avoid unexpected events, they seek to achieve consistent outperformance over an economic cycle. The investment process is focused on bottom-up credit analysis and security selection, driven by a proprietary credit rating process. The credit rating process specifically focuses on three sequential steps: evaluation of credit risk, appropriately pricing credit risk, and identifying and monitoring issuer specific metrics for early warning of changes in credit risk. Bonds are selected on a company by company basis with the goal of being appropriately compensated for the credit risk.

Under normal circumstances, the Strategy invests at least 80% of its net assets in non-investment grade debt securities, commonly called “high yield” or “junk” bonds. Such bonds include debt securities rated BB+ or lower by S&P Global Ratings, a division of S&P Global Inc. (“S&P”), or comparably rated by another recognized statistical rating organization (“NRSRO”), or, if unrated, determined by PineBridge to be of comparable quality.

The Strategy also may invest up to 20% of its total assets in debt securities that are considered investment grade. Such securities include those rated BBB+, BBB or BBB- by S&P (or comparably rated by another NRSRO, or, if unrated,

determined by PineBridge to be of comparable quality). The Strategy may invest in fixed-income securities of any maturity and in companies of any size, but intends to invest primarily in intermediate and long-term corporate obligations. The Strategy may also invest in foreign debt securities that are denominated in U.S. dollars or foreign currencies. The percentage of the Fund’s assets allocated to PineBridge is targeted at 50%.

**Western Asset Management Company (“Western”)** seeks to minimize risk and maximize return through diversification among industry, quality and security sectors. In deciding among the securities in which the fund may invest, Western takes into account the credit quality, country of issue, interest rate, liquidity, maturity and yield of a security as well as other factors, including the fund’s effective duration and prevailing and anticipated market conditions. Effective duration seeks to measure the expected sensitivity of market price to changes in interest rates, taking into account the anticipated effects of structural complexities (for example, some bonds can be prepaid by the issuer.) Western uses a team-based approach that uses “bottom-up” research, meaning that Western focuses on analysis of individual investments, without over-emphasizing broad economic or market cycles. Using this approach, Western seeks to identify attractive industries and analyze individual companies and issuers for appropriate credit parameters and total rate of return potential. Western’s goal is to invest in companies with superior management teams and with strong track records, that have defensible market positions, strong cash flow generation and growth prospects, and underlying asset values under several different scenarios. The percentage of the Fund’s assets allocated to Western is targeted at 50%.

*Effective February 24, 2021, the following replaces the disclosure in the sub-section titled “The Sub-advisers” under the section titled “Fund Management” related to the High Yield Fund on pages 97-99 of the Prospectus:*

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years’ business experience	Fund Manager Since
High Yield Fund	PineBridge Investments LLC (“PineBridge”) Park Avenue Tower 65 E 55 <sup>th</sup> Street New York, NY 10022	50%	<b>John Yovanovic, CFA®</b> <b>Managing Director and Portfolio Manager</b> (2000-Present). Mr. Yovanovic became Portfolio Manager of High Yield for the firm in 2005 and was promoted to lead PM in September of 2010. Prior to 2005, he held positions as a senior research analyst and as head of AIG’s high yield trading desk; while in investment research, he served as the energy/utilities group head. Previously, Mr. Yovanovic was a senior research analyst and trader at Mentor Investment Advisors, a division of Wachovia Corporation. Mr. Yovanovic started his career in equity research at VanKampen Funds, where he subsequently moved into high yield research and trading. He received a BBA from the University of Houston and is a CFA charterholder.	2021
			<b>Jeremy Burton, CFA®</b> <b>Managing Director and Portfolio Manager</b> (2014-Present). Mr. Burton is a portfolio manager for PineBridge’s high yield bond and leveraged loan strategies. He has served as a portfolio manager since 2014. Previously, he was a credit research analyst covering a	2021

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years' business experience	Fund Manager Since
			number of industries in the Communications and Consumer Cyclical sectors from 2004 to 2007 and from 2009 to 2017. Prior to that, he was an investment banking analyst with CIBC World Markets and an investment analyst with Linden Advisors. Mr. Burton received a BA with a concentration in History from Harvard College in 2000 and an MBA with a concentration in Finance from the Wharton School of Business at the University of Pennsylvania in 2004. He is a CFA charterholder.	
	Western Asset Management Company ("Western") 385 E. Colorado Blvd Pasadena, CA 91101	50%	<b>Michael C. Buchanan, CFA®</b> <b>Deputy Chief Investment Officer</b> (2005-present). Mr. Buchanan is the primary portfolio manager for Western's US High Yield portfolios.	2005
			<b>Walter E. Kilcullen</b> <b>Portfolio Manager</b> (2002-Present). Mr. Kilcullen is responsible for the day-to-day strategic oversight of his respective strategies as well as supervising the operations of various sector teams dedicated to the asset classes in which the strategy invests.	2017
			<b>S. Kenneth Leech</b> <b>Chief Investment Officer</b> (1990-present). Mr. Leech is responsible for the day-to-day strategic oversight of his respective strategies as well as supervising the operations of various sector teams dedicated to the asset classes in which the strategy invests.	2014

**EMERGING MARKETS EQUITY FUND**

*Effective March 19, 2021, Martin Currie Inc. ("Martin Currie") will commence as a new investment sub-adviser to the Emerging Markets Equity Fund.*

*Effective March 19, 2021, the target sub-adviser investment allocations of the Emerging Markets Equity Fund is a 35% allocation to BlackRock Financial Management, Inc. ("BlackRock"), a 30% allocation to Martin Currie, a 17.5% allocation to Lazard Asset Management LLC ("Lazard"), and a 17.5% allocation to Van Eck Associates Corporation ("Van Eck").*

*Effective March 19, 2021, the following replaces the chart in the section titled "Sub-advisers and portfolio managers" related to the Emerging Markets Equity Fund on page 18 of the Prospectus:*

<u>Portfolio Manager</u>	<u>Sub-Adviser or Adviser</u>	<u>Fund's Portfolio Manager Since</u>
Rachael Aguirre, Director and Senior Portfolio Manager	BlackRock	2016
Jennifer Hsui, CFA®, Managing Director and Senior Portfolio Manager	BlackRock	2018
Alan Mason, Managing Director	BlackRock	2016
Suzanne Henige, Director and Senior Portfolio Manager	BlackRock	2020
Amy Whitelaw, Managing Director and Senior Portfolio Manager	Blackrock	2017
Rohit Chopra, Managing Director and Portfolio Manager/Analyst	Lazard	2009
James M. Donald, CFA®, Managing Director, Portfolio Manager/Analyst and Head of Emerging Markets	Lazard	2009
John R. Reinsberg, Deputy Chairman, Portfolio Manager/Analyst and Head of International and Global Strategies	Lazard	2009
Monika Shrestha, Director and Portfolio Manager/Analyst	Lazard	2015
Ganesh Ramachandran, Portfolio Manager/Analyst	Lazard	2020
Alastair Reynolds, Portfolio Manager	Martin Currie	2021
Andrew Mathewson, Portfolio Manager	Martin Currie	2021
Colin Dishington, Portfolio Manager	Martin Currie	2021
Divya Mathur, Portfolio Manager	Martin Currie	2021
Paul Desoisa, Portfolio Manager	Martin Currie	2021
Paul Sloane, Portfolio Manager	Martin Currie	2021
David Semple, Portfolio Manager	VanEck	2016
Angus Shillington, Deputy Portfolio Manager	VanEck	2016

*Effective March 19, 2021, the following replaces the disclosure related to the Emerging Markets Equity Fund in the section titled “How the Sub-advisers select the Fund’s investments” on page 62 of the Prospectus:*

**BlackRock Financial Management, Inc. (“BlackRock”)** will employ a “passive” management approach, attempting to invest in a portfolio of assets whose performance is expected to match approximately the performance of the MSCI Emerging Markets Index (Net). The Fund will be substantially invested in securities in the MSCI Emerging Markets Index (Net), and will invest, under normal circumstances, at least 80% of its assets in securities or other financial instruments that are components of or have economic characteristics similar to the securities included in the MSCI Emerging Markets Index (Net). The Fund will invest in a statistically selected sample of equity securities included in the MSCI Emerging Markets Index (Net) and in derivative instruments linked to the MSCI Emerging Markets Index (Net). Equity securities include common stock, preferred stock, securities convertible into common stock and securities or other instruments whose price is linked to the value of common stock. The Fund will, under normal circumstances, invest in all of the countries represented in the MSCI Emerging Markets Index (Net). The Fund may not, however, invest in all of the companies within a country represented in the MSCI Emerging Markets Index (Net), or in the same weightings as in the MSCI Emerging Markets Index (Net). The percentage of the Fund’s assets allocated to BlackRock is targeted at 35%.

**Lazard Asset Management LLC (“Lazard”)** manages a relative value strategy (“Strategy”) and invests primarily in equity securities, principally common stocks, of non-U.S. companies whose principal business activities are located in emerging or developing market countries. The Strategy is based on value creation through a process of bottom-up stock selection. The Strategy consists of an analytical framework, accounting validation, fundamental analysis and portfolio construction parameters. In the Strategy, assets are invested in companies that are believed to be undervalued based on their earnings, cash flow or asset values. The percentage of the Fund’s assets allocated to Lazard is targeted at 17.5%.

**Martin Currie Inc. (“Martin Currie”)** is a bottom-up, high conviction, stock-driven strategy focused on companies with high potential to create shareholder value. The Martin Currie investment team’s investment philosophy is founded on a belief that the market frequently undervalues the long-term, value-creation potential of sustainable growth businesses; they conduct fundamental stock specific research to identify potential investments by assessing companies on quality, growth and ESG. From a quality perspective, the investment team seeks to identify profit leadership, competitive advantages, and financial strength. From a growth perspective, the investment team seeks to understand the scalability and duration of growth and whether the management has a strategy to execute. From an ESG perspective, the investment team seeks to understand a company’s ESG risks and opportunities as they directly impact long term value creation. The investment team invests when the opportunity is undervalued by the market. The percentage of the Fund’s assets allocated to Martin Currie is targeted at 30%.

**Van Eck Associates Corporation (“VanEck”)** seeks long-term capital appreciation by investing primarily in securities of companies that are organized in, maintain at least 50% of their assets in, or derive at least 50% of their revenues from, emerging market countries. VanEck has broad discretion to identify countries that it considers to qualify as emerging markets. VanEck selects emerging market countries that the Fund will invest in based on VanEck’s evaluation of economic fundamentals, legal structure, political developments and other specific factors VanEck believes to be relevant. Utilizing qualitative and quantitative measures, the Fund’s portfolio manager seeks to invest in reasonably-priced companies that have strong structural growth potential. The portfolio manager seeks attractive investment opportunities in all areas of emerging markets and utilizes a flexible investment approach across all market capitalizations. The Fund’s holdings may include issues denominated in currencies of emerging market countries, investment companies (like country funds) that invest in emerging market countries, and American Depositary Receipts, and similar types of investments, representing emerging market securities. The percentage of the Fund’s assets allocated to VanEck is targeted at 17.5%.

*Effective March 19, 2021, the following replaces the disclosure in the sub-section titled “The Sub-advisers” under the section titled “Fund Management” related to the Emerging Markets Equity Fund on pages 97-99 of the Prospectus:*

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years’ business experience	Fund Manager Since
Emerging Markets Equity Fund	BlackRock Financial Management, Inc. (“BlackRock”) Park Avenue Plaza 55 East 52nd St. New York, NY 10055	35%	<b>Rachel Aguirre</b> <b>Director and Senior Portfolio Manager</b> (2005-Present.). Mrs. Aguirre is Head of Developed Markets Portfolio Engineering. She is responsible for overseeing the management of developed market index equity portfolios for institutional clients within Beta Strategies.	2016
			<b>Jennifer Hsui, CFA®</b> <b>Managing Director and Senior Portfolio Manager</b> (2006-present). Mrs. Hsui is the Head of the Emerging Markets Portfolio Engineering team within BlackRock’s ETF and Index Investments Americas business. She is responsible for overseeing the management of Emerging Markets Institutional and iShares funds.	2018
			<b>Alan Mason</b> <b>Managing Director</b> (1991-present). Mr. Mason is the Global Co-Head of Investments, Products, and Markets. He is a member of the Beta Strategies ExCo, Americas	2016

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years' business experience	Fund Manager Since
			ExCo and Global Human Capital Committees and a global sponsor for OUT, the firm's LGBT employee network.	
			<b>Suzanne Henige</b> <b>Director and Senior Portfolio Manager</b> (2011-present). Mrs. Henige is a member of BlackRock's ETF and Index Investments (EII) Portfolio Engineering group. She currently leads the Sub-Advised PE team which is responsible for managing US and Developed markets Mutual Funds and Sub-Advised portfolios.	2020
			<b>Amy Whitelaw</b> <b>Managing Director and Senior Portfolio Manager</b> (1999-present). Mrs. Whitelaw is the Head of the America's iShares Equity Portfolio Engineering team within BlackRock's ETF and Index Equity ("EII") team. She is responsible for overseeing the management of the Americas listed US, Canadian, and Latin America iShares equity funds. She leads the EII Americas Inclusion and Diversity Committee. Mrs. Whitelaw also co-chairs BlackRock's Global Women's Initiative Network and formerly co-chaired the Women's Initiative Network on the West Coast.	2017
	Lazard Asset Management LLC ("Lazard") 30 Rockefeller Plaza 57 <sup>th</sup> Floor New York, NY 10112	17.5%	<b>Rohit Chopra</b> <b>Managing Director and Portfolio Manager/Analyst</b> (1999-present). Mr. Chopra is a Portfolio Manager/ Analyst on the Emerging Markets Equity team, focusing on consumer and telecommunications research and analysis.	2009
			<b>James M. Donald, CFA®</b> <b>Managing Director, Portfolio Manager/Analyst and Head of Emerging Markets</b> (1996-present). Mr. Donald is a Managing Director and Head of Emerging Markets and Portfolio Manager/Analyst on the Emerging Markets Equity team. He is also a	2009

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years' business experience	Fund Manager Since
			member of the International Equity Select with Emerging Markets team.	
			<b>John R. Reinsberg</b> <b>Deputy Chairman, Portfolio Manager/Analyst and Head of International and Global Strategies</b> (1992-present). Mr. Reinsberg is Deputy Chairman of Lazard Asset Management LLC and Head of International and Global Strategies. He is also a Portfolio Manager/ Analyst on the Global Equity and International Equity portfolio teams.	2009
			<b>Monika Shrestha</b> <b>Director and Portfolio Manager/Analyst</b> (2003-present). Ms. Shrestha is a Portfolio Manager/ Analyst on the Emerging Markets Equity team, responsible for research coverage of companies in the financial sector.	2015
			<b>Ganesh Ramachandran</b> <b>Portfolio Manager/Analyst</b> (1997-present) Mr. Ramachandran is a Portfolio Manager/ Analyst on the Emerging Income and Emerging Markets Equity teams.	2020
	Martin Currie Inc. ("Martin Currie") Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2ES, Scotland	30%	<b>Alastair Reynolds</b> <b>Portfolio Manager</b> (2010-present). Mr. Reynolds has been investing in equities for almost 30 years. He joined Martin Currie in 2010, when Martin Currie expanded its commitment to the Emerging Market asset class. In addition to managing investment portfolios and conducting investment research, Mr. Reynolds is also responsible for the overall management of Martin Currie's Emerging Markets team. During his career, Mr. Reynolds has managed a broad range of emerging market equity strategies, including frontier markets and small caps. Prior to Joining Martin Currie, Mr. Reynolds worked at Scottish Widows Investment Partnership, Edinburgh Fund Managers and Scottish Amicable Investment Management. He is an associate of the UK Society of Investment Professionals (ASIP), the predecessor of the CFA Society of the UK.	2021

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years' business experience	Fund Manager Since 2021
			<p><b>Andrew Mathewson</b>  <b>Portfolio Manager</b>  (2005-present). Mr. Mathewson is a co-manager of Martin Currie's Global Emerging Markets strategy. He is also a member of Martin Currie's Executive Committee and Investment Executive committee. Mr. Mathewson has had responsibility for researching stocks in the consumer and healthcare sectors. He joined Martin Currie in 2005 from the Scottish Investment Trust, where he was an investment manager for UK equities. For over five years, Mr. Mathewson worked in Martin Currie's Asia and global emerging markets team, as an investment manager for the GEM product with a research focus on EMEA markets. With the arrival of the former SWIP emerging markets team, Mr. Mathewson integrated into the new GEMs team, taking on responsibility for the consumer and healthcare sectors. Mr. Mathewson is a CFA® charterholder. He has a BSc (Hons) in Economics from the University of St Andrews.</p>	2021
			<p><b>Colin Dishington</b>  <b>Portfolio Manager</b>  (2018-present). Mr. Dishington is a co-manager of Martin Currie's Global Emerging Markets strategy, with responsibility for researching stocks in the communication services sector. Before re-joining Martin Currie in 2018, he worked as a research analyst at Matthews Asia, an Asia-only investment specialist. Before this, Mr. Dishington worked at Martin Currie from 2010-2012, initially as Assistant Research Analyst, working on global financial stocks, before progressing to Assistant Portfolio Manager in our Japan team. Mr. Dishington is a chartered accountant (CA), beginning his professional career at Chiene &amp; Tait Chartered Accountants. He was then at Lloyds Banking Group before he first joined Martin Currie. He is a CFA® charterholder and has an MA in</p>	2021



Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years' business experience	Fund Manager Since
			<p>Economics from the University of Glasgow.</p> <p><b>Divya Mathur</b> <b>Portfolio Manager</b> (2010-present). Mr. Mathur is a co-manager of Martin Currie's global emerging markets (GEMs) strategy, with responsibility for technology sector research. He joined Martin Currie in 2010 from SWIP, where he was investment director on its GEMs desk. As portfolio manager, Mr. Mathur was lead manager of the Global Emerging Markets Infrastructure fund and co-manager of the balanced mandates. As sector analyst, he was responsible for stocks across the technology and utilities sectors in emerging markets. Earlier, Mr. Mathur spent over a decade at Henderson Global Investors in London, where he began his career as a quantitative strategist, before managing GEM and dedicated Indian equity portfolios for eight years. Mr. Mathur speaks Hindi. He is an associate of the UK Society of Investment Professionals (ASIP). Mr. Mathur has an MSc in investment analysis from the University of Stirling and a BSc (Hons) in Computer Science and Accounting from the University of Manchester.</p>	2021
			<p><b>Paul Desoisa</b> <b>Portfolio Manager</b> (2013-present). Mr. Desoisa is a Portfolio Manager in Martin Currie's Global Emerging Markets team, where he is responsible for researching stocks in the industrial and utilities sectors. He joined Martin Currie in 2013 as an investment trainee in technology, media and telecoms research, before progressing into a portfolio management role in the North America team. He previously worked as a trainee actuary for Punter Southall and has undertaken internships at J.P. Morgan and Redburn Partners. In 2012, Mr. Desoisa completed a BSc (Hons) in Mathematics and Statistics at the</p>	2021

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years' business experience	Fund Manager Since
			<p>University of York. He is a CFA® charterholder.</p> <p><b>Paul Sloane</b>  <b>Portfolio Manager</b>  (2018-present). Mr. Sloane is a co-manager of Martin Currie’s Global Emerging Markets (GEMs) strategy and has responsibility for researching financials stocks. Mr. Sloane first joined Martin Currie in 2003, leading our global financials research and co-managing our Global Financials Absolute Return Fund from 2006 to 2011 and Global Alpha strategy from 2013. Mr. Sloane left the firm in 2017 and re-joined in 2018 as part of the GEMs team. Prior to his time at Martin Currie he was at Deutsche Bank, where he was responsible for specialist sales in the pan-European insurance sector. He started his career in 1993 as a Trainee Chartered Accountant at Standard Life before moving into an investment analyst role at Standard Life Investments in 1997. Mr. Sloane is a chartered accountant (CA) and an associate of the UK Society of Investment Professionals (ASIP). Mr. Sloane has a PGDip in Investment Analysis from the University of Stirling and a BA (Hons) Accounting from the University of Ulster.</p>	2021
	Van Eck Associates Corporation (“VanEck”) 666 Third Avenue New York, NY 10017	17.5%	<p><b>David Semple</b>  <b>Portfolio Manager</b>  (2002-present). Mr. Semple is the Portfolio Manager of the strategy and is responsible for asset allocation and stock selection in global emerging markets.</p> <p><b>Angus Shillington</b>  <b>Deputy Portfolio Manager</b>  (2014-present). Mr. Shillington is a Deputy Portfolio Manager of the strategy. Prior to that, he was a Senior Analyst at VanEck from 2009-2014.</p>	2016  2016

**INTERNATIONAL EQUITY FUND**

Effective March 19, 2021, Invesco Advisers, Inc. (“Invesco”) and Wellington Management Company, LLP (“Wellington”) are no longer investment sub-advisers of the International Equity Fund. As such, all references to Invesco and Wellington, are removed from the Prospectus.

Effective March 19, 2021, Walter Scott & Partners Limited (“Walter Scott”) will commence as a new investment sub-advisers to the International Equity Fund.

Effective March 19, 2021, the target sub-adviser investment allocations of the International Equity Fund is a 25% allocation to BlackRock, a 19% allocation to Walter Scott, a 28% allocation to Causeway Capital Management LLC (“Causeway”), an 18% allocation to Schroder Investment Management North America Inc. (“Schroder”) and a 10% allocation to Victory Capital Management (“Victory”).

Effective March 19, 2021, the following replaces the chart in the section titled “Sub-advisers and portfolio managers” related to the International Equity Fund on page 13 of the Prospectus:

<u>Portfolio Manager</u>	<u>Sub-Adviser or Adviser</u>	<u>Fund’s Portfolio Manager Since</u>
Rachael Aguirre, Director and Senior Portfolio Manager	BlackRock	2016
Jennifer Hsui, CFA®, Managing Director and Senior Portfolio Manager	BlackRock	2018
Alan Mason, Managing Director	BlackRock	2016
Suzanne Henige, Director and Senior Portfolio Manager	BlackRock	2020
Amy Whitelaw, Managing Director and Senior Portfolio Manager	BlackRock	2017
Jonathan P. Eng, Portfolio Manager	Causeway	2014
Harry W. Hartford, President and Portfolio Manager	Causeway	2014
Sarah H. Ketterer, Chief Executive Officer and Portfolio Manager	Causeway	2014
Ellen Lee, Portfolio Manager	Causeway	2015
Conor S. Muldoon, CFA®, Portfolio Manager	Causeway	2014
Steven Nguyen, Portfolio Manager	Causeway	2019
Alessandro Valentini, CFA®, Portfolio Manager	Causeway	2014
James Gautrey, CFA®, Portfolio Manager	Schroders	2014
Simon Webber, CFA®, Portfolio Manager	Schroders	2011
Daniel B. LeVan, CFA®, Chief Investment Officer of Trivalent Investments, a Victory Capital investment franchise	Victory Capital	2017
John W. Evers, CFA®, Senior Portfolio Manager	Victory Capital	2017
Jane Henderson, Managing Director	Walter Scott	2021
Charles Macquaker, Executive Director - Investment	Walter Scott	2021
Roy Leckie, Executive Director – Investment & Client Service	Walter Scott	2021

Effective March 19, 2021, the following replaces the disclosure related to the International Equity Fund in the section titled “How the Sub-advisers select the Fund’s investments” on page 59 of the Prospectus:

**BlackRock Financial Management, Inc. (“BlackRock”)** will employ a “passive” management approach, attempting to invest in a portfolio of assets whose performance is expected to match approximately the performance of the MSCI EAFE® Index (Net). The Fund will be substantially invested in securities in the MSCI EAFE® Index (Net), and will invest, under normal circumstances, at least 80% of its assets in securities or other financial instruments that are components of or have economic characteristics similar to the securities included in the MSCI EAFE® Index (Net). The Fund will invest in a statistically selected sample of equity securities included in the MSCI EAFE® Index (Net) and in derivative instruments linked to the MSCI EAFE® Index (Net). Equity securities include common stock, preferred stock, securities convertible into common stock and securities or other instruments whose price is linked to the value of common stock. The Fund will, under normal circumstances, invest in all of the countries represented in the MSCI EAFE® Index (Net). The Fund may not, however, invest in all of the companies within a country

represented in the MSCI EAFE® Index (Net), or in the same weightings as in the MSCI EAFE® Index (Net). The percentage of the Fund’s assets allocated to BlackRock is targeted at 25%.

**Causeway Capital Management LLC (“Causeway”)** follows a value style, performing fundamental research supplemented by quantitative analysis. Beginning with a universe of companies throughout the non-U.S. developed and emerging markets, Causeway uses quantitative market capitalization and valuation screens to narrow the potential investment candidates to approximately 2,000 securities. To select investments, Causeway then performs fundamental research, which generally includes company specific research, company visits, and interviews of suppliers, customers, competitors, industry analysts, and experts. Causeway also applies a proprietary quantitative risk model to adjust return forecasts based on risk assessments. Using a value style means that Causeway buys stocks that it believes have lower prices than their true worth. For example, stocks may be “undervalued” because the issuing companies are in industries that are currently out of favor with investors. However, even in those industries, certain companies may have high rates of growth of earnings and be financially sound. Causeway considers whether a company has each of the following value characteristics in purchasing or selling securities for the Fund: (i) low price-to earnings ratio relative to the sector, (ii) high yield relative to the market, (iii) low price-to-book value ratio relative to the market, (iv) low price-to-cash flow ratio relative to the market, and (v) financial strength. Generally, price-to-earnings ratio and yield are the most important factors. The percentage of the Fund’s assets allocated to Causeway is targeted at 28%.

**Schroder Investment Management North America Inc. (“Schroders”)** Schroders seeks to invest in securities of international companies where they have identified a significant growth gap, which is defined as forward earnings growth that is not yet recognized by the market. Schroders leverages the extensive knowledge of, and recommendations generated by, approximately 100 regional analysts located across the globe. The strongest ideas of these local analysts are then overlaid with the global perspective of an international team of global sector specialists. In Schroders’ view, this combination of local expertise and global analysis provides an optimal framework for identifying strong investment candidates and building high-quality efficient portfolios across multiple regions and sectors. The percentage of the Fund’s assets allocated to Schroders is targeted at 16%.

**Victory Capital Management Inc. (“Victory Capital”)** pursues the Fund’s investment objective by investing primarily in equity securities of companies principally in countries represented in the S&P® Developed ex-U.S. SmallCap Index (“Index”). Under normal circumstances, at least 80% of the Fund’s assets will be invested in securities of small-capitalization companies. The Adviser considers any company with a market capitalization at the time of purchase that is within such country’s smallest 15% based on market capitalization to be a small-capitalization company. The size of companies in the Index changes with market conditions and the composition of the Index. The Adviser employs a bottom-up investment approach that emphasizes individual stock selection. The Adviser’s investment process uses a combination of quantitative and traditional qualitative, fundamental analysis to identify attractive stocks with low relative price multiples and positive trends in earnings forecasts high profitability and companies with a strong or positively trending environmental, social, and governance (“ESG”) profile. The stock selection process is designed to produce a diversified portfolio that, relative to the Index, tends to have a below-average price-to-earnings ratio and an above-average earnings growth trend and above average return-on-invested capital. The Fund’s investment allocation to countries and sectors tends to approximate the country and sector allocations of the Index, which concentrates its exposure in one or more countries, regions or sectors. The Index consists of the stocks representing the lowest 15% of float-adjusted market capitalization in each country other than the U.S. represented in the S&P® Developed Broad Market Index (BMI). The S&P® Developed BMI includes all listed shares of companies from 24 developed countries with float-adjusted market capitalizations of at least US\$100 million and annual trading value of at least US\$50 million. The Fund normally invests in a minimum of ten countries.

The Adviser regularly reviews the Fund’s investments and will sell a security if the Adviser believes there has been a deterioration in the rank of the security in accordance with the Adviser’s process, the security’s valuation has become unattractive relative to other stocks in the universe or other available investments are considered to be more attractive. The Adviser considers any company with a market capitalization at the time of purchase that is within such country’s smallest 10%

**Walter Scott & Partners Limited (“Walter Scott”)** believes that, over time, the returns derived from investing in the shares of a company will reflect the internal wealth generated by that business. By investing in companies capable of sustaining exceptional rates of internal wealth creation over the long term, superior investment returns can be

achieved. In-house fundamental research, rigorous analysis and collegiate decision-making are at the core of Walter Scott’s investment process along with a requirement to identify sustainable and responsible businesses to own for the long term. The team-based approach draws on the combined knowledge and experience of investment professionals. Collective discussion and debate around investment ideas and all portfolio holdings is integral to the investment approach. The industrial and geographic structure of portfolios reflects the bottom-up stock selection process, rather than the composition of indices. Portfolios are comprised of a carefully selected group of companies that satisfy Walter Scott’s strict investment criteria and the firm expects 100% of the alpha to come from security selection. Walter Scott’s investment style is long-term growth at a reasonable price, paying close attention to valuation. The percentage of the Fund’s assets allocated to Walter Scott is targeted at 19%.

*Effective March 19, 2021, the following replaces the disclosure in the sub-section titled “The Sub-advisers” under the section titled “Fund Management” related to the International Equity Fund on pages 94-97 of the Prospectus:*

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years’ business experience	Fund Manager Since
International Equity Fund	BlackRock Financial Management, Inc. (“BlackRock”) Park Avenue Plaza 55 East 52nd St. New York, NY 10055	25%	<b>Rachel Aguirre</b> <b>Director and Senior Portfolio Manager</b> (2005-Present.). Mrs. Aguirre is Head of Developed Markets Portfolio Engineering. She is responsible for overseeing the management of developed market index equity portfolios for institutional clients within Beta Strategies.	2016
			<b>Jennifer Hsui, CFA®</b> <b>Managing Director and Senior Portfolio Manager</b> (2006-present). Mrs. Hsui is the Head of the Emerging Markets Portfolio Engineering team within BlackRock’s ETF and Index Investments Americas business. She is responsible for overseeing the management of Emerging Markets Institutional and iShares funds.	2018
			<b>Alan Mason</b> <b>Managing Director</b> (1991-Present). Mr. Mason is the Global Co-Head of Investments, Products, and Markets. He is a member of the Beta Strategies ExCo, Americas ExCo and Global Human Capital Committees and a global sponsor for OUT, the firm’s LGBT employee network.	2016
			<b>Suzanne Henige</b> <b>Director and Senior Portfolio Manager</b> (2011-present). Mrs. Henige is a member of BlackRock’s ETF and Index	2020

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years' business experience	Fund Manager Since
			Investments (EII) Portfolio Engineering group. She currently leads the Sub-Advised PE team which is responsible for managing US and Developed markets Mutual Funds and Sub-Advised portfolios	
			<b>Amy Whitelaw</b> <b>Managing Director and Senior Portfolio Manager</b> (1999-present). Mrs. Whitelaw is the Head of the America's iShares Equity Portfolio Engineering team within BlackRock's ETF and Index Equity ("EII") team. She is responsible for overseeing the management of the Americas listed US, Canadian, and Latin America iShares equity funds. She leads the EII Americas Inclusion and Diversity Committee. Mrs. Whitelaw also co-chairs BlackRock's Global Women's Initiative Network and formerly co-chaired the Women's Initiative Network on the West Coast.	2017
	Causeway Capital Management LLC ("Causeway") 11111 Santa Monica Blvd. 15 <sup>th</sup> Floor Los Angeles, CA 90025	28%	<b>Alessandro Valentini, CFA®</b> <b>Portfolio Manager</b> (2013-present). Mr. Valentini is a portfolio manager of Causeway and is responsible for investment research in the global health care and financials sectors. He joined the firm in July 2006 and has been a portfolio manager since April 2013.	2014
			<b>Jonathan P. Eng</b> <b>Portfolio Manager</b> (2002-present). Mr. Eng is a director of Causeway and is responsible for investment research in the global consumer discretionary, industrials and materials sectors. He joined the firm in July 2001 as a research associate and has been a portfolio manager since February 2002.	2014
			<b>Harry W. Hartford</b> <b>President and Portfolio Manager</b> (2001-present). Mr. Hartford is the president of Causeway, portfolio manager for the firm's fundamental and absolute return strategies, and director of research. He co-founded the firm in June 2001.	2014

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years' business experience	Fund Manager Since
Schroder Investment Management North America Inc. ("Schroders") 7 Bryant Park New York, NY 10018	18%		<b>Sarah H. Ketterer</b> <b>Chief Executive Officer and Portfolio Manager</b> (2001-present). Ms. Ketterer is the chief executive officer of Causeway, portfolio manager for the firm's fundamental and absolute return strategies and is responsible for investment research across all sectors. She co-founded the firm in June 2001.	2014
			<b>Ellen Lee</b> <b>Portfolio Manager</b> (2007-present). Ms. Lee is a director of Causeway and is responsible for investment research in the energy and global utilities sectors. Ms. Lee joined the firm in August 2007 as a research associate and has been a portfolio manager since January 2015.	2015
			<b>Conor S. Muldoon, CFA®</b> <b>Portfolio Manager</b> (2010-present). Mr. Muldoon is a director of Causeway and is responsible for investment research in the global financials and materials sectors. He joined the firm in August 2003 as a research associate and has been a portfolio manager since September 2010.	2014
			<b>Steven Nguyen</b> <b>Portfolio Manager</b> (2019-present). Mr. Nguyen is a director of Causeway and is responsible for investment research in the global energy, utilities and health care sectors. He joined the firm in April 2012 as a research associate and has been a portfolio manager since January 2019.	2019
			<b>James Gautrey, CFA®</b> <b>Portfolio Manager</b> (2001-present). Mr. Gautrey became a portfolio manager for International Equities at Schroders in 2014. He began his career in 2001 with Schroders.	2014
			<b>Simon Webber, CFA®</b> <b>Portfolio Manager</b> (1999-present). Mr. Webber has been a portfolio manager of the fund since 2011. He joined Schroders as a research analyst in 1999.	2011

Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years' business experience	Fund Manager Since
	Victory Capital Management Inc. ("Victory Capital") 15935 La Cantera Parkway San Antonio, TX 78256	17.5%	<p><b>Daniel B. LeVan, CFA®</b>  <b>Chief Investment Officer of Trivalent Investments, a Victory Capital investment franchise</b>  (2014-Present). From 2007-2014, Mr. LeVan was a Senior Portfolio Manager of Munder Capital Management, which was acquired by Victory Capital in 2014.</p>	2017
			<p><b>John W. Evers, CFA®</b>  <b>Senior Portfolio Manager</b>  (2014-Present). From 2007-2014, Mr. Evers was a Senior Portfolio Manager of Munder Capital Management, which was acquired by Victory Capital in 2014.</p>	2017
	Walter Scott & Partners Limited ("Walter Scott") One Charlotte Square, Edinburgh, EH2 4DR, Scotland	19%	<p><b>Jane Henderson</b>  <b>Managing Director</b>  (1995-present). Ms. Henderson is Managing Director of Walter Scott. Having joined the firm in 1995 as an investment analyst, she has held a range of investment, management, client service and governance responsibilities and was instrumental in the development of the firm's US investment strategy. Ms. Henderson Co-chaired Walter Scott's Investment Management Group before becoming Managing Director in 2010. She holds a BSc (Hons) in Marine and Environment Biology from the University of St. Andrews.</p> <p><b>Charles Macquaker</b>  <b>Executive Director - investment</b>  (1991-present). Mr. Macquaker is Executive Director, Investment at Walter Scott. Having joined the firm in 1991, he has held a range of investment, management, client service and governance responsibilities and has had extensive experience of analyzing companies around the world, particularly in Europe and Japan. Mr. Macquaker joined the Board in 2009 and is Co-Chair of the Investment Management Committee. He holds a BSc (Econ) (Hons) in European Studies from the University of Buckingham.</p>	2021



Fund	Sub-Adviser or Adviser	Percentage	Fund Manager/Fund Management Team Members, Title, Past 5 years' business experience	Fund Manager Since
			<b>Roy Leckie</b> <b>Executive Director – Investment &amp; Client Service</b> (1995-present). Mr. Leckie is Executive Director, Investment & Client Service at Walter Scott. Since joining the firm in 1995, he has held a range of investment, management, client service and governance responsibilities. Mr. Leckie was integral to the development of the firm's emerging market capabilities, and he has played a central role in the stewardship of Walter Scott's global and international strategies since 2007. Roy joined the firm's Board in 2008 and is Co-Chair of the Investment Management Committee. He holds a BSc (Hons) in Statistics from the University of Glasgow.	2021
			<b>Alex Torrens</b> <b>Co-Head of Research</b> (2010-present). Alex is Co-Head of Research and a member of the Investment and Executive Management Committees at Walter Scott. He first joined the firm in 2006 and intermittently worked in different departments until taking a permanent role in 2010. Alex holds an MA in Law from the University of Cambridge and an Executive Education certificate from Columbia Business School.	2021
			<b>Alan Edington</b> <b>Co-Head of Research</b> (2010-present). Alan is Co-Head of Research and a member of the Investment and Executive Management Committees at Walter Scott. Prior to joining the firm in 2012, he worked at Mano Cap, a private equity firm based in Sierra Leone, and as a lawyer at Slaughter and May. Before university, Alan undertook an extended internship at Walter Scott. He holds a BA (Hons) in Law from the University of Oxford. Alan is a CFA charterholder.	2021

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# Morgan Stanley Pathway Funds

## Prospectus

» January 1, 2021

- Large Cap Equity Fund (**TLGUX**)
- Small-Mid Cap Equity Fund (**TSGUX**)
- International Equity Fund (**TIEUX**)
- Emerging Markets Equity Fund (**TEMUX**)
- Core Fixed Income Fund (**TIIUX**)
- High Yield Fund (**THYUX**)
- International Fixed Income Fund (**TIFUX**)
- Municipal Bond Fund (**TMUUX**)
- Inflation-Linked Fixed Income Fund (**TILUX**)
- Ultra-Short Term Fixed Income Fund (**TSDUX**)
- Alternative Strategies Fund (**TALTX**)

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

The Securities and Exchange Commission has not approved or disapproved these securities or determined whether this Prospectus is accurate or complete. Any statement to the contrary is a crime.

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Funds' annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website ([www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm)), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the Funds electronically anytime by contacting your financial intermediary (such as a financial advisor) or, if you are a direct investor, by calling 1-800-869-3326.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Funds, you can call 1-800-869-3326 to let the Funds know you wish to continue receiving paper copies of your shareholder reports.



# Morgan Stanley Pathway Funds

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# Large Cap Equity Fund

## Investment objective

Capital appreciation.

## Fund fees and expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK® Pathway, Consulting Group Advisor, Select UMA or Portfolio Management investment advisory programs (as a percentage of prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	0.60%
Distribution (12b-1) Fees	None
Other Expenses	0.10%
Total Annual Fund Operating Expenses	0.70%
Waiver*	(0.21)%
Net Annual Fund Operating Expenses*	0.49%

\* Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. This contractual waiver will only apply if the Fund's total management fees exceed the total amount of sub-advisory fees paid by CGAS plus 0.20% and will not affect the Fund's total management fees if they are less than such amount. This fee waiver and reimbursement agreement shall remain in effect until January 1, 2022. The agreement may be amended or terminated only with the consent of the Board of Trustees.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The effect of the Fund's contractual fee waiver is only reflected in the first year of the example. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$252	\$818	\$1,411	\$3,016

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 21% of the average value of its portfolio.

## Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in the equity securities of large capitalization (or "cap") companies or in other investments with similar economic characteristics. The Fund defines large cap companies as companies whose market capitalizations typically fall within the range of the Russell 1000® Index. The market capitalization of the companies in large-cap market indices and the Fund's portfolio changes over time. The Fund may invest up to 10% of its assets in the securities of foreign issuers that are not traded on a U.S. exchange or the U.S. over-the-counter market. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

The Fund employs a "multi-manager" strategy whereby portions of the Fund are allocated to professional money managers (each, a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund.

## Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that stock prices decline overall. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short and long-term. Market risk may affect a single company, sector of the economy or the market as a whole.
- **Equity Risk**, which is the risk that prices of equity securities rise and fall daily due to factors affecting individual companies, particular industries or the equity market as a whole.
- **Exchange-Traded Funds ("ETFs") Risk**, which is the risk of owning shares of an ETF and generally reflects the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio

securities. When the Fund invests in an ETF, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses.

- *Investment Style Risk*, which means large cap and/or growth stocks could fall out of favor with investors and trail the performance of other types of investments.
- *Foreign Investment Risk*, which means risks unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
- *Securities Lending Risk*, which includes the potential insolvency of a borrower and losses due to the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Manager Risk*, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform. This risk is common for all actively managed funds.
- *Multi-Manager Risk*, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund may experience a higher portfolio turnover rate, which can increase the Fund's transaction costs and result in more taxable short-term gains for shareholders.
- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *Sector Risk*, which is the risk that the value of securities in a particular industry or sector will decline because of changing expectations for the performance of that industry or sector. From time to time, based on market or economic conditions,

the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

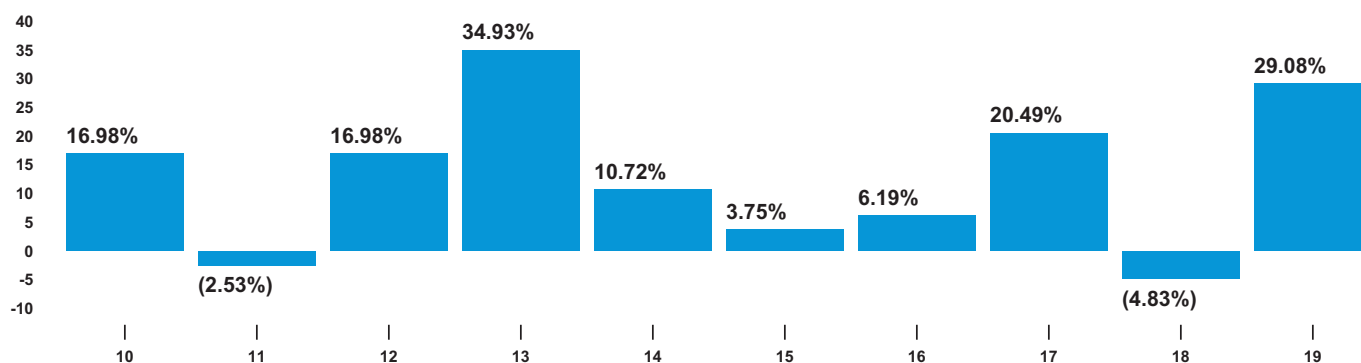
An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

## Performance

The bar chart below shows how the Fund's investment results have varied from year to year, and the following table shows how the Fund's annual total returns for various periods compare to those of the Fund's benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.** The Fund's past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

## Annual total returns (%) calendar years

### Large Cap Equity Fund



### Fund's best and worst calendar quarters

Best: 16.14% in 1st quarter 2012

Worst: (15.56)% in 3rd quarter 2011

Year-to-date: 4.23% (through 3rd quarter 2020)



## Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE 11/18/1991	1 YEAR	5 YEARS	10 YEARS
<b>Fund (without advisory program fee)</b>			
Return Before Taxes	29.08%	10.27%	12.51%
Return After Taxes on Distributions	27.62%	7.74%	10.67%
Return After Taxes on Distributions and Sale of Fund Shares	18.21%	7.58%	9.97%
Russell 1000® Index (reflects no deduction for fees, expenses or taxes)	31.43%	11.48%	13.54%
Lipper Large-Cap Core Funds Average	29.50%	10.35%	12.21%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's benchmark is the Russell 1000® Index. The Russell 1000® Index is composed of the 1,000 largest U.S. companies by market capitalization. Unlike the Fund, the benchmark is unmanaged and does not include any fees or expenses. An investor cannot invest directly in an index.

The Fund also compares its performance with the Lipper Large-Cap Core Funds Average, which is a secondary

benchmark and includes funds that invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500® Index.

## Investment adviser

Consulting Group Advisory Services LLC ("CGAS" or the "Manager"), a business of Morgan Stanley Wealth Management ("MSWM"), serves as the investment adviser for the Fund. Subject to Board review, the Manager selects and oversees professional money managers (each a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund. The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund's assets among one or more Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund's investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund's investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

## Sub-advisers and portfolio managers

BlackRock Financial Management, Inc. ("BlackRock")

ClearBridge Investments, LLC ("ClearBridge")

Columbia Management Investment Advisers, LLC ("Columbia")

Delaware Investments Fund Advisers, a member of Macquarie Investment Management Business Trust ("MIM")

Lazard Asset Management LLC ("Lazard")

Lyrical Asset Management LP ("Lyrical")

PORTFOLIO MANAGERS	SUB-ADVISER OR ADVISER	FUND'S PORTFOLIO MANAGER SINCE
Rachel Aguirre, Director and Senior Portfolio Manager	BlackRock	2016
Jennifer Hsui, CFA®, Managing Director and Senior Portfolio Manager	BlackRock	2018
Alan Mason, Managing Director	BlackRock	2016
Suzanne Henige, Director and Senior Portfolio Manager	BlackRock	2020
Amy Whitelaw, Managing Director and Senior Portfolio Manager	BlackRock	2017
Peter Bourbeau, Managing Director and Portfolio Manager	ClearBridge	2017
Margaret Vitano, Managing Director and Portfolio Manager	ClearBridge	2017
Richard Carter, Senior Portfolio Manager	Columbia	2016
Thomas Galvin, CFA®, Lead Portfolio Manager and Head of Focused Large Cap Growth	Columbia	2016
Todd Herget, Senior Portfolio Manager	Columbia	2016
Kristen E. Bartholdson, Vice President and Senior Portfolio Manager	MIM	2016
Nikhil G. Lalvani, CFA®, Vice President, Senior Portfolio Manager and Team Leader	MIM	2016
Robert A. Vogel Jr., CFA®, Vice President and Senior Portfolio Manager	MIM	2016
Erin Ksenak, Vice President, Associate Portfolio Manager	MIM	2019
Christopher Blake, Managing Director and Portfolio Manager/Analyst	Lazard	2016
Martin Flood, Managing Director and Portfolio Manager/Analyst	Lazard	2016
John Mullins, Associate Portfolio Manager	Lyrical	2019
David Roeske, Associate Portfolio Manager	Lyrical	2017
Andrew Wellington, Managing Partner and Chief Investment Officer	Lyrical	2016
Dan Kaskawits, Associate Portfolio Manager	Lyrical	2019

## Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange ("NYSE") is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.

## Tax information

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two.

## Payments to financial intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.



# Small-Mid Cap Equity Fund

## Investment objective

Capital appreciation.

## Fund fees and expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK <sup>®</sup> Pathway, Consulting Group Advisor, Select UMA or Portfolio Management investment advisory programs (as a percentage of prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	0.80%
Distribution (12b-1) Fees	None
Other Expenses	0.16%
Total Annual Fund Operating Expenses	0.96%
Waiver*	(0.34)%
Net Annual Fund Operating Expenses*	0.62%

\* Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. This contractual waiver will only apply if the Fund's total management fees exceed the total amount of sub-advisory fees paid by CGAS plus 0.20% and will not affect the Fund's total management fees if they are less than such amount. This fee waiver and reimbursement agreement shall remain in effect until January 1, 2022. The agreement may be amended or terminated only with the consent of the Board of Trustees.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The effect of the Fund's contractual fee waiver is only reflected in the first year of the example. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$265	\$884	\$1,528	\$3,256

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 45% of the average value of its portfolio.

## Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in the equity securities of small-mid capitalization (or "cap") companies or in other investments with similar economic characteristics. The Fund defines small-mid cap companies as companies with market caps not exceeding the highest month-end market cap value of any stock in the Russell 2500<sup>®</sup> or Russell Mid Cap Index for the previous 12 months, whichever is greater. The Fund may invest up to 10% of its assets in the securities of foreign issuers that are not traded on a U.S. exchange or the U.S. over-the-counter market. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

The Fund employs a "multi-manager" strategy whereby portions of the Fund are allocated to professional money managers (each, a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund.

## Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that stock prices decline overall. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short and long-term. Market risk may affect a single company, sector of the economy or the market as a whole.
- **Equity Risk**, which is the risk that prices of equity securities rise and fall daily due to factors affecting individual companies, particular industries or the equity market as a whole.
- **Exchange-Traded Funds ("ETFs") Risk**, which is the risk of owning shares of an ETF and generally reflects the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio

securities. When the Fund invests in an ETF, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses.

- *Investment Style Risk*, which means small cap and/or growth stocks could fall out of favor with investors and trail the performance of other types of investments.
- *Small-Mid Cap Risk*, which refers to the fact that historically, small-mid cap companies tend to be more vulnerable to adverse business and economic events, have been more sensitive to changes in earnings results and forecasts and investor expectations, and experience sharper swings in market values than larger, more established companies. At times, small-mid cap stocks may be less liquid and harder to sell at prices the Sub-advisers believe are appropriate.
- *Foreign Investment Risk*, which means risks unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
- *Securities Lending Risk*, which includes the potential insolvency of a borrower and losses due to the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Manager Risk*, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform. This risk is common for all actively managed funds.
- *Multi-Manager Risk*, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund may experience a higher portfolio turnover rate, which can increase the Fund's transaction costs and result in more taxable short-term gains for shareholders.
- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

- *Sector Risk*, which is the risk that the value of securities in a particular industry or sector will decline because of changing expectations for the performance of that industry or sector. From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

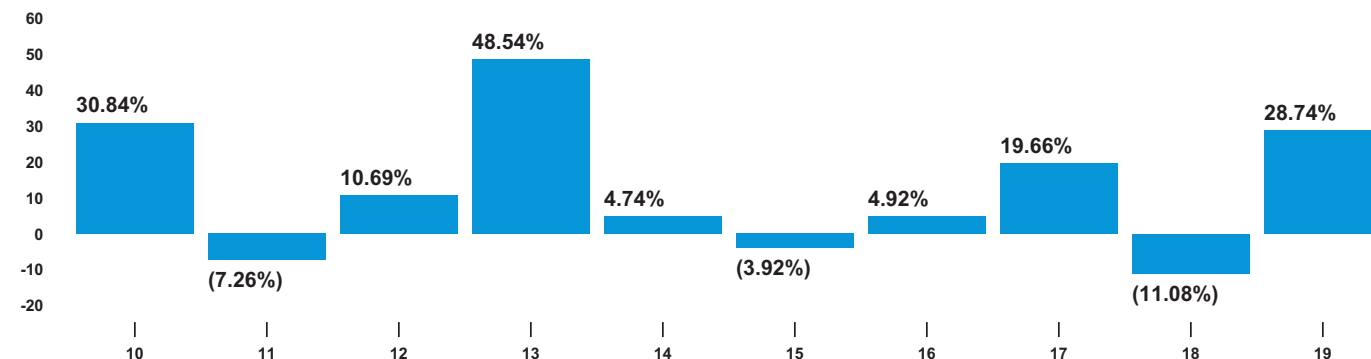
An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

## Performance

The bar chart below shows how the Fund's investment results have varied from year to year, and the following table shows how the Fund's annual total returns for various periods compare to those of the Fund's benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.** The Fund's past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

## Annual total returns (%) calendar years

### Small-Mid Cap Equity Fund



### Fund's best and worst calendar quarters

Best: 17.41% in 4th quarter 2010

Worst: (25.98)% in 3rd quarter 2011

Year-to-date: (4.17)% (through 3rd quarter 2020)

### Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE: 11/18/1991      1 YEAR      5 YEARS      10 YEARS

#### Fund (without advisory program fee)

Return Before Taxes	28.74%	6.67%	11.18%
Return After Taxes on Distributions	25.38%	3.49%	8.77%
Return After Taxes on Distributions and Sale of Fund Shares	19.33%	4.44%	8.59%
Russell 2500® Index (reflects no deduction for fees, expenses or taxes)	27.77%	8.93%	12.58%
Lipper Small-Cap Core Funds Average	23.92%	7.04%	10.92%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's benchmark is the Russell 2500® Index. The Russell 2500® Index includes the smallest 2,500 U.S. companies out of the Russell 3000® Index universe. Unlike the Fund, the benchmark is unmanaged and does not include any fees or expenses. An investor cannot invest directly in an index.

The Fund also compares its performance with the Lipper Small-Cap Core Funds Average, which is a secondary benchmark and includes funds that invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500® Index.

### Investment adviser

Consulting Group Advisory Services LLC ("CGAS" or the "Manager"), a business of Morgan Stanley Wealth Management ("MSWM"), serves as the investment adviser for the Fund. Subject to Board review, the Manager selects and oversees professional money managers (each a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund. The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund's assets among one or more Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund's investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund's investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

## Sub-advisers and portfolio managers

Aristotle Capital Boston, LLC ("Aristotle")  
 BlackRock Financial Management, Inc. ("BlackRock")  
 D.F. Dent & Company, Inc. ("DF Dent")  
 Neuberger Berman Investment Advisers LLC ("Neuberger")  
 Nuance Investments, LLC ("Nuance")  
 Westfield Capital Management Company, L.P. ("Westfield")

PORTFOLIO MANAGERS	SUB-ADVISER OR ADVISER	FUND'S PORTFOLIO MANAGER SINCE
David Adams, CFA®, CEO and Portfolio Manager	Aristotle	2019
Jack McPherson, CFA®, President and Portfolio Manager	Aristotle	2019
Rachel Aguirre, Director and Senior Portfolio Manager	BlackRock	2016
Jennifer Hsui, CFA®, Managing Director and Senior Portfolio Manager	BlackRock	2018
Alan Mason, Managing Director	BlackRock	2016
Suzanne Henige, Director and Senior Portfolio Manager	BlackRock	2020
Amy Whitelaw, Managing Director and Senior Portfolio Manager	BlackRock	2017
Matthew F. Dent, CFA®, President	DF Dent	2019
Bruce L. Kennedy II, CFA®, Vice President	DF Dent	2019
Gary D. Mitchell, Vice President	DF Dent	2019
Thomas F. O'Neil, Jr, CFA®, Vice President	DF Dent	2019
Benjamin H. Nahum, Managing Director	Neuberger	2016
Chad Baumler, CFA®, Vice President and Senior Portfolio Manager	Nuance	2019
Scott Moore, CFA®, President and CIO	Nuance	2019
Darren Schryer, CFA®, CPA, Associate Portfolio Manager	Nuance	2020
Richard D. Lee, CFA®, Managing Partner and Deputy CIO	Westfield	2004
Ethan J. Meyers, CFA®, Managing Partner and Director of Research	Westfield	2004
John M. Montgomery, Managing Partner, COO and Portfolio Strategist	Westfield	2006
William A. Muggia, President, CEO and CIO	Westfield	2004

## Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange ("NYSE") is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.

## Tax information

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two.

## Payments to financial intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# International Equity Fund

## Investment objective

Capital appreciation.

## Fund Fees and Expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK® Pathway, Consulting Group Advisor, Select UMA, or Portfolio Management investment advisory programs (as a percentage of average prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	0.70%
Distribution (12b-1) Fees	None
Other Expenses	0.17%
Total Annual Fund Operating Expenses	0.87%
Waiver*	(0.16)%
Net Annual Fund Operating Expenses*	0.71%

\* Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. This contractual waiver will only apply if the Fund's total management fees exceed the total amount of sub-advisory fees paid by CGAS plus 0.20% and will not affect the Fund's total management fees if they are less than such amount. This fee waiver and reimbursement agreement shall remain in effect until January 1, 2022. The agreement may be amended or terminated only with the consent of the Board of Trustees.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The effect of the Fund's contractual fee waiver is only reflected in the first year of the example. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$274	\$874	\$1,499	\$3,184

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 39% of the average value of its portfolio.

## Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in the equity securities of companies located outside the U.S. The Fund focuses on companies located in developed markets, but also may invest a portion of its assets in securities of companies located in emerging markets. The Fund intends to diversify its assets by investing primarily in securities of issuers located in at least three foreign countries. The Fund may attempt to hedge against unfavorable changes in currency exchange rates by engaging in forward currency transactions or currency swaps and trading currency futures contracts and options on these futures. However, a Sub-adviser (as defined below) may choose not to, or may be unable to, hedge the Fund's currency exposure. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

The Fund employs a "multi-manager" strategy whereby portions of the Fund are allocated to professional money managers (each, a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund.

## Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that stock prices decline overall. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short and long-term. Market risk may affect a single company, sector of the economy or the market as a whole.
- **Equity Risk**, which is the risk that prices of equity securities rise and fall daily due to factors affecting individual companies, particular industries or the equity market as a whole.



- *Foreign Investment Risk*, which means risks unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
- *Currency Risk*, which refers to the risk that as a result of the Fund's investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged.
- *Forwards, Futures, Options and Swaps Risk*, which means that the Fund's use of forwards, futures, options and swaps to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Even a small investment in forwards, futures, options or swaps can have a large impact on the Fund's interest rate, securities market and currency exposure. Therefore, using forwards, futures, options or swaps can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in forwards, futures, options or swaps if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. Investing in forwards, futures, options or swaps can also make the Fund's assets less liquid and harder to value, especially in declining markets. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
- *Emerging Markets Risk*, emerging markets countries, which are generally defined as countries that may be represented in a market index such as the MSCI Emerging Markets Index (Net) or having per capita income in the low to middle ranges, as determined by the World Bank. In addition to foreign investment and currency risks, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. The Fund also could experience a loss from settlement and custody practices in some emerging markets.
- *Small and Mid Cap Risk*, which refers to the fact that historically, small and mid cap stocks tend to be more vulnerable to adverse business and economic events, more sensitive to changes in earnings results and forecasts and investor expectations and will experience sharper swings in market values than larger, more established companies. At times, small and mid cap stocks may be less liquid and harder to sell at prices the Sub-advisers believe are appropriate.
- *Securities Lending Risk*, which includes the potential insolvency of a borrower and losses due to the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Manager Risk*, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform. This risk is common for all actively managed funds.
- *Multi-Manager Risk*, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund may experience a higher portfolio turnover rate, which can increase the Fund's transaction costs and result in more taxable short-term gains for shareholders.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate, the London Interbank Offered Rate, may no longer be calculated after 2021. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR.
- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *Sector Risk*, which is the risk that the value of securities in a particular industry or sector will decline because of changing expectations for the performance of that industry or sector. From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

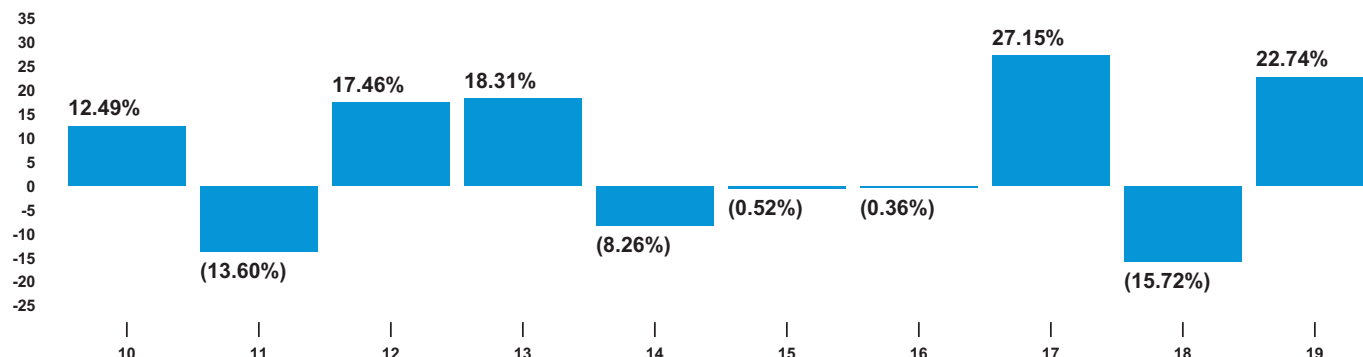
An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

## Performance

The bar chart below shows how the Fund's investment results have varied from year to year, and the following table shows how the Fund's annual total returns for various periods compare to those of the Fund's benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.** The Fund's past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

## Annual total returns (%) calendar years

### International Equity Fund



### Fund's best and worst calendar quarters

Best: 17.33% in 3rd quarter 2010

Worst: (22.15)% in 3rd quarter 2011

Year-to-date: (6.56)% (through 3rd quarter 2020)

### Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE: 11/18/1991	1 YEAR	5 YEARS	10 YEARS
<b>Fund (without advisory program fee)</b>			
Return Before Taxes	22.74%	5.45%	4.91%
Return After Taxes on Distributions	22.21%	5.07%	4.62%
Return After Taxes on Distributions and Sale of Fund Shares	14.18%	4.34%	4.01%
MSCI EAFE® Index (Net) (reflects no deduction for fees, expenses or taxes)	22.01%	5.67%	5.50%
Lipper International Large-Cap Core Funds Average	22.31%	4.00%	4.38%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's benchmark is the MSCI EAFE® Index (Net). The Benchmark is a composite portfolio of equity total returns for developed countries in Europe and the Far East and Australia and New Zealand. Unlike the Fund, the benchmark is unmanaged and does not include any fees or expenses. An investor cannot invest directly in an index.

The Fund also compares its performance with the Lipper International Large-Cap Core Funds Average. The Lipper International Large-Cap Core Funds Average is composed of funds that, by fund practice, invest at least 75% of their equity assets in companies strictly outside of the U.S., with market capitalizations (on a three-year weighted basis) greater than the 250th largest companies in the S&P/Citigroup World ex-U.S. Broad Market® Index ("BMI®"). Large cap core securities typically have an average price-to-cash ratio, price-to-book ratio, and three year sales-per-year growth value, compared to S&P/Citigroup World ex-U.S. BMI®.

### Investment adviser

Consulting Group Advisory Services LLC ("CGAS" or the "Manager"), a business of Morgan Stanley Wealth Management ("MSWM"), serves as the investment adviser for the Fund. Subject to Board review, the Manager selects and oversees professional money managers (each a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund. The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund's assets among one or more Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund's investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund's investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

## Sub-advisers and portfolio managers

BlackRock Financial Management, Inc. ("BlackRock")  
 Causeway Capital Management LLC ("Causeway")  
 Invesco Advisers, Inc. ("Invesco") (formerly known as OppenheimerFunds, Inc.)  
 Schroder Investment Management North America Inc. ("Schroders")  
 Victory Capital Management Inc. ("Victory Capital")  
 Wellington Management Company, LLP ("Wellington")

PORTFOLIO MANAGERS	SUB-ADVISER OR ADVISER	FUND'S PORTFOLIO MANAGER SINCE
Rachael Aguirre, Director and Senior Portfolio Manager	BlackRock	2016
Jennifer Hsui, CFA®, Managing Director and Senior Portfolio Manager	BlackRock	2018
Alan Mason, Managing Director	BlackRock	2016
Suzanne Henige, Director and Senior Portfolio Manager	BlackRock	2020
Amy Whitelaw, Managing Director and Senior Portfolio Manager	BlackRock	2017
Jonathan P. Eng, Portfolio Manager	Causeway	2014
Harry W. Hartford, President and Portfolio Manager	Causeway	2014
Sarah H. Ketterer, Chief Executive Officer and Portfolio Manager	Causeway	2014
Ellen Lee, Portfolio Manager	Causeway	2015
Conor S. Muldoon, CFA®, Portfolio Manager	Causeway	2014
Steven Nguyen, Portfolio Manager	Causeway	2019
Alessandro Valentini, CFA®, Portfolio Manager	Causeway	2014
Robert B. Dunphy, CFA®, Senior Portfolio Manager	Invesco	2014
George R. Evans, CFA®, Chief Investment Officer - Equities and Senior Portfolio Manager	Invesco	2014
James Gautrey, CFA®, Portfolio Manager	Schroders	2014
Simon Webber, CFA®, Portfolio Manager	Schroders	2011
Daniel B. LeVan, CFA®, Chief Investment Officer of Trivalent Investments, a Victory Capital investment franchise	Victory Capital	2017
John W. Evers, CFA®, Senior Portfolio Manager	Victory Capital	2017
Andrew M. Corry, CFA®, Senior Managing Director and Equity Portfolio Manager	Wellington	2017
James H. Shakin, CFA®, Senior Managing Director and Equity Portfolio Manager	Wellington	2017

## Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange ("NYSE") is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.

## Tax information

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two.

## Payments to financial intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.



# Emerging Markets Equity Fund

## Investment objective

Long-term capital appreciation.

## Fund Fees and Expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK® Pathway, Consulting Group Advisor, Select UMA, or Portfolio Management investment advisory programs (as a percentage of average prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	0.90%
Distribution (12b-1) Fees	None
Other Expenses	0.25%
Total Annual Fund Operating Expenses	1.15%
Waiver*	(0.31)%
Net Annual Fund Operating Expenses*	0.84%

\* Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. This contractual waiver will only apply if the Fund's total management fees exceed the total amount of sub-advisory fees paid by CGAS plus 0.20% and will not affect the Fund's total management fees if they are less than such amount. This fee waiver and reimbursement agreement shall remain in effect until January 1, 2022. The agreement may be amended or terminated only with the consent of the Board of Trustees.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The effect of the Fund's contractual fee waiver is only reflected in the first year of the example. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$287	\$943	\$1,623	\$3,436

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 23% of the average value of its portfolio.

## Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in equity securities of issuers organized, domiciled or with substantial operations in emerging markets countries, which are defined as countries included in an emerging markets index by a recognized index provider, such as the MSCI Emerging Markets Index (Net), or characterized as developing or emerging by any of the World Bank, the United Nations, the International Finance Corporation, or the European Bank for Reconstruction and Development. Certain emerging market countries may also be classified as "frontier" market countries, which are a subset of emerging countries with even smaller national economies. To diversify its investments, the Fund invests primarily in securities of issuers located in at least three foreign countries. The Fund also may invest a portion of its assets in closed-end investment companies that invest in emerging markets. The Fund may attempt to hedge against unfavorable changes in currency exchange rates by engaging in forward currency transactions and trading currency futures contracts and options on these futures; however, a Sub-adviser (as defined below) may choose not to, or may be unable to, hedge the Fund's currency exposure. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

The Fund employs a "multi-manager" strategy whereby portions of the Fund are allocated to professional money managers (each, a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund.

## Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that stock prices decline overall. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short and long-term. Market risk may affect a single company, sector of the economy or the market as a whole.
  - **Equity Risk**, which is the risk that prices of equity securities rise and fall daily due to factors affecting individual companies, particular industries or the equity market as a whole.
  - **Foreign Investment Risk**, which means risks unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
  - **Emerging Markets and Frontier Markets Risk**, emerging markets countries, which are generally defined as countries that may be represented in a market index such as the MSCI Emerging Markets Index (Net) or having per capita income in the low to middle ranges, as determined by the World Bank. Certain emerging market countries may also be classified as "frontier" market countries, which are a subset of emerging countries with even smaller national economies. In addition to foreign investment and currency risks, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. The Fund also could experience a loss from settlement and custody practices in some emerging markets. These risks tend to be even more prevalent in frontier market countries. The economies of frontier market countries tend to be less correlated to global economic cycles than the economies of more developed countries and their markets have lower trading volumes and may exhibit greater price volatility and illiquidity. A small number of large investments in these markets may affect these markets more than more developed markets. Frontier market countries may also be more affected by government activities than more developed countries. For example, the governments of frontier market countries may exercise substantial influence within the private sector or subject investments to government approval, and governments of other countries may impose or negotiate trade barriers, exchange controls, adjustments to relative currency values and other measures that adversely affect a frontier market country. Governments of other countries may also impose sanctions or embargoes on frontier market countries.
- Although all of these risks are generally heightened with respect to frontier market countries, they also apply to emerging market countries.
- **Currency Risk**, which refers to the risk that as a result of the Fund's investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged.
  - **Forwards, Futures and Options Risk**, which means that the Fund's use of forwards, futures and options to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Even a small investment in forwards, futures or options can have a large impact on the Fund's Interest rate, securities market and currency exposure. Therefore, using forwards, futures or options can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in forwards, futures or options if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. Investing in forwards, futures or options can also make the Fund's assets less liquid and harder to value, especially in declining markets. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
  - **Closed-End Investment Company Risk**, which means that since closed-end investment companies issue a fixed number of shares they typically trade on a stock exchange or over-the-counter at a premium or discount to their net asset value per share. The Fund will also bear its pro rata portion of any costs of a closed-end fund in which it invests.
  - **Securities Lending Risk**, which includes the potential insolvency of a borrower and losses due to the re-investment of collateral received on loaned securities in investments that default or do not perform well.
  - **Strategy Risk**, the Fund invests a portion of its assets in stocks believed by a Sub-adviser to be undervalued, but that may not realize their perceived value for extended periods of time or may never realize their perceived value. The Fund also invests a portion of its assets in stocks believed by a Sub-adviser to have the potential for growth, but that may not realize such perceived growth potential for extended periods of time or may never realize such perceived growth potential. Such stocks may be more volatile than other stocks because they can be more sensitive to investor perceptions of the issuing company's growth potential. The stocks in which the Fund invests may respond differently to market and other developments than other types of stocks.
  - **Manager Risk**, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform. This risk is common for all actively managed funds.
  - **Multi-Manager Risk**, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund may experience a

higher portfolio turnover rate, which can increase the Fund's transaction costs and result in more taxable short-term gains for shareholders.

- **Issuer Risk**, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- **LIBOR Transition Risk** refers to the fact that a commonly used interest rate, the London Interbank Offered Rate, may no longer be calculated after 2021. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR.
- **Sector Risk**, which is the risk that the value of securities in a particular industry or sector will decline because of changing expectations for the performance of that industry or sector. From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

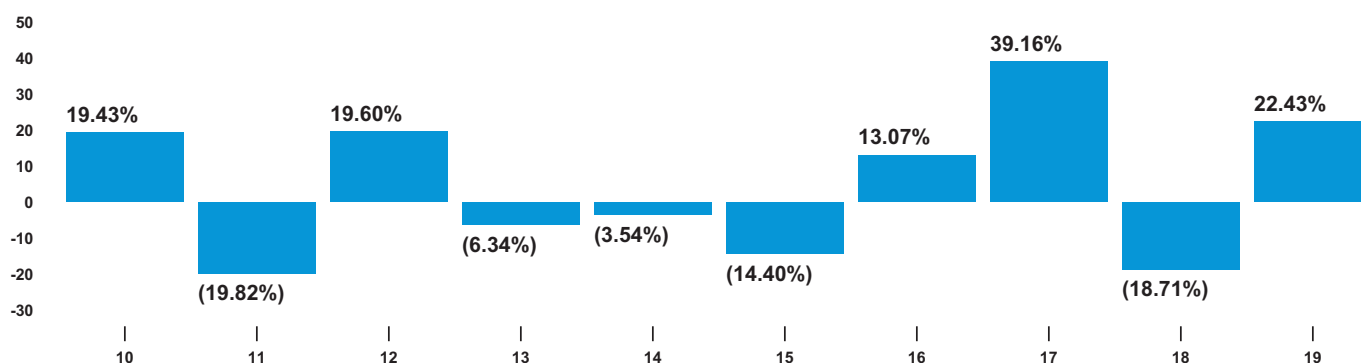
An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

## Performance

The bar chart below shows how the Fund's investment results have varied from year to year, and the following table shows how the Fund's annual total returns for various periods compare to those of the Fund's benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.** The Fund's past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

## Annual total returns (%) calendar years

### Emerging Markets Equity Fund



### Fund's best and worst calendar quarters

Best: 18.61% in 3rd quarter 2010

Worst: (24.09)% in 3rd quarter 2011

Year-to-date: (7.12)% (through 3rd quarter 2020)

## Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE: 4/21/1994	1 YEAR	5 YEARS	10 YEARS
<b>Fund (without advisory program fee)</b>			
Return Before Taxes	22.43%	6.04%	3.33%
Return After Taxes on Distributions	22.08%	5.82%	2.89%
Return After Taxes on Distributions and Sale of Fund Shares	13.82%	4.83%	2.71%
MSCI Emerging Markets Index (Net) (reflects no deduction for fees, expenses or taxes)	18.42%	5.61%	3.68%
Lipper Emerging Markets Funds Average	20.62%	5.15%	4.00%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's benchmark is the MSCI Emerging Markets Index (Net). The benchmark is composed of equity total returns of countries with low to middle per capita incomes, as determined by the World Bank. Unlike the Fund, the benchmark is unmanaged and does not include any fees or expenses. An investor cannot invest directly in an index.

The Fund also compares its performance with the Lipper Emerging Markets Funds Average. The Lipper Emerging

Markets Funds Average is composed of funds that, by fund practice, seek long-term capital appreciation by investing at least 65% of their total assets in emerging market equity securities, where "emerging market" is defined by a country's gross national product per capita or other economic measures.

## Investment adviser

Consulting Group Advisory Services LLC ("CGAS" or the "Manager"), a business of Morgan Stanley Wealth Management ("MSWM"), serves as the investment adviser for the Fund. Subject to Board review, the Manager selects and oversees professional money managers (each a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund. The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund's assets among one or more Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund's investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund's investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

## Sub-advisers and portfolio managers

BlackRock Financial Management, Inc. (“BlackRock”)

Lazard Asset Management LLC (“Lazard”)

Van Eck Associates Corporation (“VanEck”)

PORTFOLIO MANAGERS	SUB-ADVISER OR ADVISER	FUND'S PORTFOLIO MANAGER SINCE
Rachael Aguirre, Director and Senior Portfolio Manager	BlackRock	2016
Jennifer Hsui, CFA®, Managing Director and Senior Portfolio Manager	BlackRock	2018
Alan Mason, Managing Director	BlackRock	2016
Suzanne Henige, Director and Senior Portfolio Manager	BlackRock	2020
Amy Whitelaw, Managing Director and Senior Portfolio Manager	Blackrock	2017
Rohit Chopra, Managing Director and Portfolio Manager/Analyst	Lazard	2009
James M. Donald, CFA®, Managing Director, Portfolio Manager/Analyst and Head of Emerging Markets	Lazard	2009
John R. Reinsberg, Deputy Chairman, Portfolio Manager/Analyst and Head of International and Global Strategies	Lazard	2009
Monika Shrestha, Director and Portfolio Manager/Analyst	Lazard	2015
Ganesh Ramachandran, Portfolio Manager/Analyst	Lazard	2020
David Semple, Portfolio Manager	VanEck	2016
Angus Shillington, Deputy Portfolio Manager	VanEck	2016

## Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange (“NYSE”) is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.

## Tax information

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two.

## Payments to financial intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.



# Core Fixed Income Fund

## Investment objective

Maximum total return, consistent with preservation of capital and prudent investment management.

## Fund fees and expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK <sup>®</sup> Pathway, Consulting Group Advisor, Select UMA or Portfolio Management investment advisory programs (as a percentage of prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	0.40%
Distribution (12b-1) Fees	None
Other Expenses	0.18%
Total Annual Fund Operating Expenses	0.58%
Waiver*	(0.02)%
Net Annual Fund Operating Expenses*	0.56%

\* Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. This contractual waiver will only apply if the Fund's total management fees exceed the total amount of sub-advisory fees paid by CGAS plus 0.20% and will not affect the Fund's total management fees if they are less than such amount. This fee waiver and reimbursement agreement shall remain in effect until January 1, 2022. The agreement may be amended or terminated only with the consent of the Board of Trustees.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The effect of the Fund's contractual fee waiver is only reflected in the first year of the example. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$259	\$801	\$1,369	\$2,913

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 216% of the average value of its portfolio.

## Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income instruments. Fixed income instruments include securities issued or guaranteed by the U.S. Government, its agencies or government-sponsored enterprises (note that securities issued by U.S. Government agencies or government-sponsored enterprises may not be guaranteed by the U.S. Treasury); corporate debt securities of U.S. and non-U.S. issuers, including convertible securities and corporate commercial paper; mortgage-backed and other asset-backed securities; inflation-indexed bonds issued both by governments and corporations; structured notes, including hybrid or "indexed" securities and event-linked bonds; loan participations and assignments; delayed funding loans and revolving credit facilities; bank certificates of deposit, fixed time deposits and bankers' acceptances; repurchase agreements on fixed income instruments and reverse repurchase agreements on fixed income instruments; debt securities issued by states or local governments and their agencies, authorities and other government-sponsored enterprises; obligations of non-U.S. governments or their subdivisions, agencies and government-sponsored enterprises; and obligations of international agencies or supranational entities.

The Fund may also invest in derivatives based on fixed income instruments, including futures, forwards, options, swaps, and swaptions, and may use other investment techniques such as mortgage dollar rolls, buy-backs and securities lending to earn additional income. The Fund also may engage in short sales. The Fund may also invest in Exchange-Traded Funds ("ETFs") to gain exposure to a particular portion of the market while allocating assets among Sub-advisers (as defined below), transitioning the Fund's portfolio or awaiting an opportunity to purchase securities directly.

Investments may be structured to provide all types of interest rate payments, including fixed, variable, floating, inverse, zero or interest-only rates of interest. The Fund may invest up to 30% of its total assets in securities denominated in foreign currencies and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. The Fund may invest in currency spot and forward transactions for the purpose of active currency exposure. Foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) normally will be limited to 20% of the Fund's total

assets. The Fund may invest up to 15% in emerging market securities. The Fund may also invest up to 10% of its total assets in preferred stocks, convertible securities and other equity-related securities. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help fund performance.

**Credit quality.** The Fund invests primarily in investment grade debt securities, but may invest up to 10% of its total assets in non-investment grade securities (sometimes called “high yield securities” or “junk bonds”) rated CCC- or higher by Moody’s, or equivalently rated by S&P or Fitch, or, if unrated, determined by the Sub-advisers to be of comparable quality.

**Duration.** The Fund’s average portfolio duration, as calculated by the Sub-advisers, normally ranges within two years (plus or minus) of the duration of the benchmark index. Duration is an approximate measure of the sensitivity of the market value of the Fund’s holdings to changes in interest rates. Maturity means the date on which the principal amount of a debt security is due and payable. Individual investments may be of any maturity.

The Fund employs a “multi-manager” strategy whereby portions of the Fund are allocated to professional money managers (each, a “Sub-adviser,” collectively, the “Sub-advisers”) who are responsible for investing the assets of the Fund.

## Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

The Fund’s principal risks include:

- **Market Risk**, which is the risk that the Fund will be affected by broad changes in the fixed income markets. The prices of the Fund’s fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund’s fixed income securities will decrease in value if interest rates rise and vice versa. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In response to these events, the Fund’s value may fluctuate and/or the Fund may experience increased redemptions from shareholders, which may impact the Fund’s liquidity or force the Fund to sell securities into a declining or illiquid market. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term.
- **Interest Rate Risk**, which is the risk that interest rates rise and fall over time. When interest rates are low, the Fund’s yield and total return also may be low. When interest rates

rise, bond prices generally fall, which might cause the Fund’s share price to fall. When the Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund’s shares.

- **Credit and Junk Bond Risk**, which means the credit quality of an investment could cause the Fund to lose money. Non-investment grade securities (sometimes called “high yield securities” or “junk bonds”) involve greater risks of default or downgrade, are more volatile and may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity, which could substantially adversely affect the market value of the securities.
- **Prepayment and Extension Risks**, which means a debt obligation may be paid off earlier or later than expected. Either situation could cause the Fund to hold securities paying lower-than-market rates of interest, which could hurt the Fund’s yield or share price.
- **U.S. Government Securities Risk**, which means that although U.S. Government securities are considered to be among the safest investments, they are still subject to the credit risk of the U.S. Government and are not guaranteed against price movements due to changing interest rates. Obligations issued by some U.S. Government agencies are backed by the U.S. Treasury, while others are backed solely by the ability of the agency to borrow from the U.S. Treasury or by the agency’s own resources. No assurance can be given that the U.S. Government will provide financial support to its agencies and instrumentalities if it is not obligated by law to do so.
- **Convertible and Preferred Securities Risk**, convertible and preferred securities have many of the same characteristics as stocks, including many of the same risks. In addition, convertible securities may be more sensitive to changes in interest rates than stocks. Convertible securities may also have credit ratings below investment grade, meaning that they carry a higher risk of failure by the issuer to pay principal and/or interest when due.
- **Mortgage-Backed Securities Risk**, exists when the Fund invests in mortgage-backed securities, which represent an interest in a pool of mortgages. Mortgage-backed securities are subject to prepayment and extension risk as well as the risk that underlying borrowers will be unable to meet their obligations.
- **Asset-Backed Securities Risk**, exists when the Fund invests in asset-backed securities which are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. Asset-backed securities are subject to many of the same risks as mortgage-backed securities including

prepayment and extension risk. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited.

- *Portfolio Turnover Risk*, which is the risk that due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.
- *Liquidity Risk*, exists when securities are difficult or impossible for the Fund to sell at the time and the price that the Fund would like due to a limited market or to legal restrictions. These securities may also need to be fair valued.
- *Derivatives Risk*, which means that the Fund's use of futures, forwards, options, swaps and swaptions based on fixed income instruments to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Even a small investment in futures, forwards, options, swaps and swaptions can have a large impact on the Fund's interest rate, securities market and currency exposure. Therefore, using futures, forwards, options, swaps and swaptions can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in futures, forwards, options, swaps and swaptions if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain futures, forwards, options, swaps and swaptions presents the same types of credit risks as issuers of fixed income securities. Investing in futures, forwards, options, swaps and swaptions can also make the Fund's assets less liquid and harder to value, especially in declining markets.
- *Leverage Risk*, which means the Fund's use of leverage may exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities and cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to maintain asset coverage.
- *Foreign Investment Risk*, which means risks unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
- *Emerging Markets Risk*, emerging markets countries, which are generally defined as countries that may be represented in a market index such as the MSCI Emerging Markets Index (Net) or having per capita income in the low to middle ranges, as determined by the World Bank. In addition to foreign investment and currency risks, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. The Fund also could experience a loss from settlement and custody practices in some emerging markets.
- *Currency Risk*, which refers to the risk that as a result of the Fund's active positions in currencies and investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged.
- *Short Sale Risk*, selling short may produce higher than normal portfolio turnover, result in increased transaction costs and magnify the potential for both gain and loss to the Fund. In addition, because the Fund's loss on a short sale arises from increases in the value of the security sold short, such loss is theoretically unlimited. By contrast, the Fund's loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot drop below zero.
- *Securities Lending Risk*, which includes the potential insolvency of a borrower and losses due to the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Delayed Funding Loans and Revolving Credit Facilities Risk*, the Fund's investments in delayed funding loans and revolving credit facilities may have the effect of requiring the Fund to increase its investment in a company at a time when it might not otherwise decide to do so. Delayed funding loans and revolving credit facilities are subject to credit, interest rate and liquidity risk and the risks of being a lender.
- *Event-Linked Exposure Risk*, event-linked exposure results in gains or losses that typically are contingent, or formulaically related to defined trigger events such as hurricanes, earthquakes, weather-related phenomena, or statistics relating to such events. If a trigger event occurs, a Fund may lose a portion of or the entire principal investment in the case of a bond or a portion of or the entire notional amount in the case of a swap. Event-linked exposure instruments often provide for an extension of maturity to process and audit loss claims where a trigger event has, or possibly has, occurred, such extension of maturity may increase volatility. Event-linked exposure may also expose a Fund to liquidity risk and certain unanticipated risks including credit risk, counterparty risk, adverse regulatory or jurisdictional interpretations, and adverse tax consequences.
- *Repurchase Agreements and Reverse Repurchase Agreements Risk*, is the risk that in the event of the insolvency of the counterparty to a repurchase agreement or reverse repurchase agreement, recovery of the repurchase price owed to the Fund or, in the case of a reverse repurchase agreement, the securities sold by the Fund, may be delayed. Because reverse repurchase agreements may be considered to be the practical equivalent of borrowing funds, they constitute a form of leverage. If the Fund reinvests the proceeds of a reverse repurchase agreement at a rate lower than the cost of the agreement, entering into the agreement will lower the Fund's yield.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate, the London Interbank Offered Rate, may



no longer be calculated after 2021. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR.

- **Manager Risk**, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform. This risk is common for all actively managed funds.
- **Multi-Manager Risk**, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund may experience a higher portfolio turnover rate, which can increase the Fund's transaction costs and result in more taxable short-term gains for shareholders.
- **Issuer Risk**, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- **Exchange-Traded Funds (ETFs) Risk**, which is the risk of owning shares of an ETF and generally reflects the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio securities. When the Fund invests in an ETF, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses.

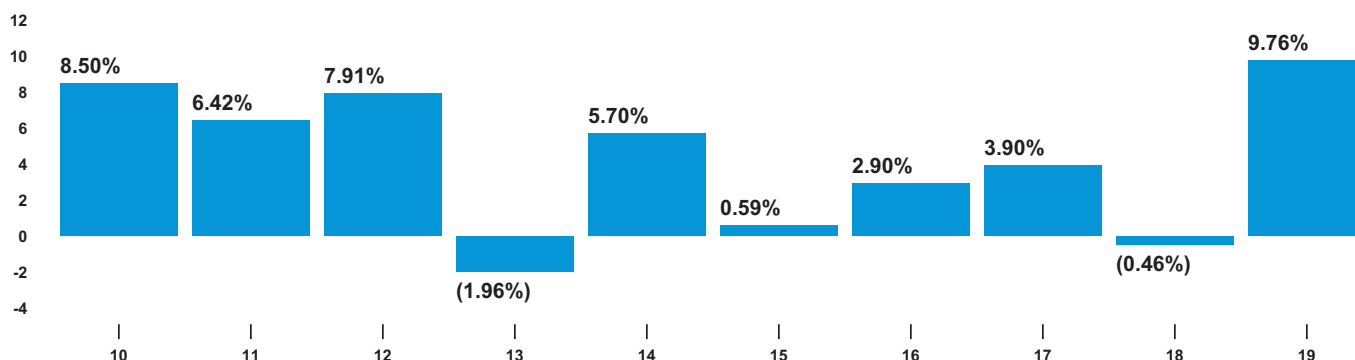
An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

## Performance

The bar chart below shows how the Fund's investment results have varied from year to year, and the following table shows how the Fund's annual total returns for various periods compare to those of the Fund's benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.** The Fund's past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

## Annual total returns (%) calendar years

### Core Fixed Income Fund



### Fund's best and worst calendar quarters

Best: 3.61% in 2nd quarter 2010

Worst: (2.80)% in 4th quarter 2016

Year-to-date: 6.96% (through 3rd quarter 2020)

## Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE: 11/18/1991	1 YEAR	5 YEARS	10 YEARS
<b>Fund (without advisory program fee)</b>			
Return Before Taxes	9.76%	3.28%	4.25%
Return After Taxes on Distributions	8.37%	1.96%	2.70%
Return After Taxes on Distributions and Sale of Fund Shares	5.75%	1.92%	2.68%
Bloomberg Barclays U.S. Aggregate Bond™ Index (reflects no deduction for fees, expenses or taxes)	8.72%	3.05%	3.75%
Lipper Core Bond Funds Average	8.70%	2.87%	3.81%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's benchmark is the Bloomberg Barclays U.S. Aggregate Bond™ Index. The benchmark is composed of debt securities of the U.S. government and its agencies and publicly issued, fixed rate, non-convertible, investment-grade domestic corporate debt with at least one year remaining to maturity. Unlike the Fund, the benchmark is unmanaged and does not include any fees or expenses. An investor cannot invest directly in an index.

The Fund also compares its performance with the Lipper Core Bond Funds Average. The Lipper Core Bond Funds Average is composed of funds that, by fund practice, invest primarily in investment-grade debt issues rated in the top four grades by a nationally recognized statistical rating organization, with dollar-weighted average maturities of one to five years.

## Investment adviser

Consulting Group Advisory Services LLC ("CGAS" or the "Manager"), a business of Morgan Stanley Wealth Management ("MSWM"), serves as the investment adviser for the Fund. Subject to Board review, the Manager selects and oversees professional money managers (each a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund. The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund's assets among one or more Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund's investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund's investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

## Sub-advisers and portfolio managers

BlackRock Financial Management, Inc. (“BlackRock”)  
Metropolitan West Asset Management LLC (“MetWest”)  
Western Asset Management Company (“Western”)

PORTFOLIO MANAGERS	SUB-ADVISER OR ADVISER	FUND'S PORTFOLIO MANAGER SINCE
David Antonelli, Director and Portfolio Manager	BlackRock	2012
Akiva Dickstein, Managing Director and Portfolio Manager	BlackRock	2014
Stephen Kane, CFA®, Generalist Portfolio Manager	MetWest	2007
Laird Landmann, Generalist Portfolio Manager	MetWest	2007
Tad Rivelle, Chief Investment Officer and Generalist Portfolio Manager	MetWest	2007
Bryan Whalen, CFA®, Generalist Portfolio Manager	MetWest	2007
Michael C. Buchanan, CFA®, Deputy Chief Investment Officer	Western	2005
S. Kenneth Leech, Chief Investment Officer	Western	2014
Chia-Liang Lian, CFA®, Portfolio Manager	Western	2015
Mark S. Lindbloom, Portfolio Manager	Western	2008

## Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange (“NYSE”) is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.

## Tax information

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two.

## Payments to financial intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# High Yield Fund

## Investment objective

A high level of current income primarily through investment in below-investment grade debt securities.

## Fund fees and expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK® Pathway, Consulting Group Advisor, Select UMA or Portfolio Management investment advisory programs (as a percentage of prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	0.70%
Distribution (12b-1) Fees	None
Other Expenses	0.37%
Total Annual Fund Operating Expenses	1.07%
Waiver*	(0.21)%
Net Annual Fund Operating Expenses*	0.86%

\* Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. This contractual waiver will only apply if the Fund's total management fees exceed the total amount of sub-advisory fees paid by CGAS plus 0.20% and will not affect the Fund's total management fees if they are less than such amount. This fee waiver and reimbursement agreement shall remain in effect until January 1, 2022. The agreement may be amended or terminated only with the consent of the Board of Trustees.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The effect of the Fund's contractual fee waiver is only reflected in the first year of the example. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$289	\$928	\$1,593	\$3,369

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 84% of the average value of its portfolio.

## Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in U.S. dollar-denominated high yield fixed income securities of corporate issuers rated below investment grade by two or more nationally recognized statistical rating organizations (commonly called "junk bonds"), or, if unrated, of equivalent quality as determined by the Sub-advisers. These securities include all types of debt obligations, such as corporate bonds and notes, collateralized mortgage obligations and variable and floating rate securities. The Fund may invest up to 20% of its assets in securities not denominated in U.S. dollars, including securities of issuers located in emerging market foreign countries. The Fund also may invest up to 20% of its assets in equity and equity-related securities, including common stock, convertible securities, preferred stock, warrants and rights. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

**Credit quality.** The Fund invests primarily in high yield securities or junk bonds.

**Duration.** The Fund's average portfolio duration, as calculated by the Sub-advisers (as defined below), ranges from two to six years. Duration is an approximate measure of the sensitivity of the market value of the Fund's holdings to changes in interest rates. Maturity means the date on which the principal amount of a debt security is due and payable. Individual securities may be of any maturity.

The Fund employs a "multi-manager" strategy whereby portions of the Fund are allocated to professional money managers (each, a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund.

## Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that the Fund will be affected by broad changes in the fixed income markets. The prices of the Fund's fixed income securities respond to economic developments, particularly interest rate changes, as well as

to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund's fixed income securities will decrease in value if interest rates rise and vice versa. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In response to these events, the Fund's value may fluctuate and/or the Fund may experience increased redemptions from shareholders, which may impact the Fund's liquidity or force the Fund to sell securities into a declining or illiquid market. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term.

- *Derivatives Risk*, which means that the Fund's use of futures, forwards, options, swaps and swaptions based on fixed income instruments to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Even a small investment in futures, forwards, options, swaps and swaptions can have a large impact on the Fund's interest rate, securities market and currency exposure. Therefore, using futures, forwards, options, swaps and swaptions can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in futures, forwards, options, swaps and swaptions if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain futures, forwards, options, swaps and swaptions presents the same types of credit risks as issuers of fixed income securities. Investing in futures, forwards, options, swaps and swaptions can also make the Fund's assets less liquid and harder to value, especially in declining markets.
- *Equity Risk*, which is the risk that prices of equity securities rise and fall daily due to factors affecting individual companies, particular industries or the equity market as a whole.
- *Interest Rate Risk*, which is the risk that interest rates rise and fall over time. When interest rates are low, the Fund's yield and total return also may be low. When interest rates rise, bond prices generally fall, which might cause the Fund's share price to fall. When the Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund's shares.
- *Credit and Junk Bond Risk*, which means the credit quality of an investment could cause the Fund to lose money. Non-investment grade securities (sometimes called "high yield securities" or "junk bonds") involve greater risks of

default or downgrade, are more volatile and may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity, which could substantially adversely affect the market value of the securities.

- *Prepayment and Extension Risks*, which means a debt obligation may be paid off earlier or later than expected. Either situation could cause the Fund to hold securities paying lower-than-market rates of interest, which could hurt the Fund's yield or share price.
- *Mortgage-Backed Securities Risk*, exists when the Fund invests in mortgage-backed securities, which represent an interest in a pool of mortgages. Mortgage-backed securities are subject to prepayment and extension risk as well as the risk that underlying borrowers will be unable to meet their obligations.
- *Asset-Backed Securities Risk*, exists when the Fund invests in asset-backed securities which are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. Asset-backed securities are subject to many of the same risks as mortgage-backed securities including prepayment and extension risk. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited.
- *Liquidity Risk*, exists when securities are difficult or impossible for the Fund to sell at the time and the price that the Fund would like due to a limited market or to legal restrictions. These securities may also need to be fair valued.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate, the London Interbank Offered Rate, may no longer be calculated after 2021. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR.
- *Foreign Investment Risk*, which means risks unique to investing in foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
- *Emerging Markets Risk*, emerging markets countries, which are generally defined as countries that may be represented in a market index such as the MSCI Emerging Markets Index (Net) or having per capita income in the low to middle ranges, as determined by the World Bank. In addition to foreign investment and currency risks, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in



developed foreign countries. The Fund also could experience a loss from settlement and custody practices in some emerging markets.

- *Currency Risk*, which refers to the risk that as a result of the Fund's investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged.
- *Convertible and Preferred Securities Risk*, convertible and preferred securities have many of the same characteristics as stocks, including many of the same risks. In addition, convertible securities may be more sensitive to changes in interest rates than stocks. Convertible securities may also have credit ratings below investment grade, meaning that they carry a higher risk of failure by the issuer to pay principal and/or interest when due.
- *Short Sale Risk*, selling short may produce higher than normal portfolio turnover, result in increased transaction costs and magnify the potential for both gain and loss to the Fund. In addition, because the Fund's loss on a short sale arises from increases in the value of the security sold short, such loss is theoretically unlimited. By contrast, the Fund's loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot drop below zero.
- *Securities Lending Risk*, which includes the potential insolvency of a borrower and losses due to the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Manager Risk*, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform. This risk is common for all actively managed funds.
- *Multi-Manager Risk*, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund may experience a higher portfolio turnover rate, which can increase the Fund's transaction costs and result in more taxable short-term gains for shareholders.

- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *Leverage Risk* means that the Fund's use of derivatives may result in the Fund's total investment exposure substantially exceeding the value of its portfolio securities and that the Fund's investment returns depending substantially on the performance of securities that the Fund may not directly own. The use of leverage can amplify the effects of market volatility on the Fund's share price and may also cause the Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations. The Fund's use of leverage may result in a heightened risk of investment loss.

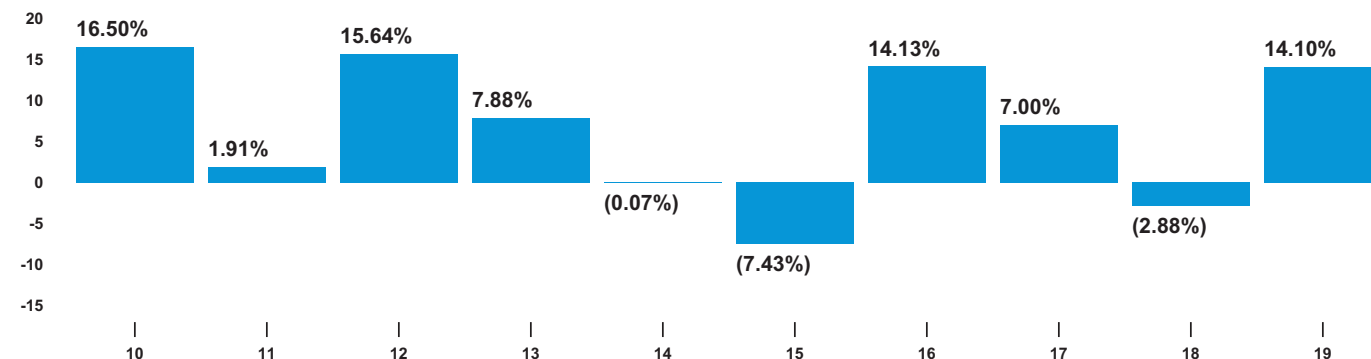
An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

## Performance

The bar chart below shows how the Fund's investment results have varied from year to year, and the following table shows how the Fund's annual total returns for various periods compare to those of the Fund's benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.** The Fund's past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

## Annual total returns (%) calendar years

### High Yield Fund



### Fund's best and worst calendar quarters

Best: 6.95% in 1st quarter 2019

Worst: (6.46)% in 3rd quarter 2011

Year-to-date: (3.74)% (through 3rd quarter 2020)

### Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE: 7/13/1998      1 YEAR      5 YEARS      10 YEARS

#### Fund (without advisory program fee)

Return Before Taxes	14.10%	4.61%	6.37%
Return After Taxes on Distributions	11.69%	1.95%	3.52%
Return After Taxes on Distributions and Sale of Fund Shares	8.30%	2.28%	3.68%
Bloomberg Barclays U.S. Corporate High Yield Bond Index (reflects no deduction for fees, expenses or taxes)	14.32%	6.13%	7.57%
Lipper High Yield Funds Average	13.64%	5.18%	6.56%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's benchmark is the Bloomberg Barclays U.S. Corporate High Yield Bond Index, a broad-based market measure of high yield bonds, commonly known as "junk bonds." The benchmark is designed to mirror the investible universe of the dollar-denominated high yield debt market.

Unlike the Fund, the benchmark is unmanaged and does not include any fees or expenses. An investor cannot invest directly in an index.

The Fund also compares its performance to the Lipper High Yield Funds Average. The Lipper High Yield Funds Average is composed of funds that, by fund practice, aim at high current yield from fixed income securities, have no quality or maturity restrictions, and tend to invest in lower grade debt issues.

### Investment adviser

Consulting Group Advisory Services LLC ("CGAS" or the "Manager"), a business of Morgan Stanley Wealth Management ("MSWM"), serves as the investment adviser for the Fund. Subject to Board review, the Manager selects and oversees professional money managers (each a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund. The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund's assets among one or more Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund's investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund's investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

## Sub-advisers and portfolio managers

Eaton Vance Management (“Eaton Vance”)

Western Asset Management Company (“Western”)

PORTFOLIO MANAGERS	SUB-ADVISER OR ADVISER	FUND'S PORTFOLIO MANAGER SINCE
Kelley Baccei, Vice President and Portfolio Manager	Eaton Vance	2016
Stephen Concannon, CFA®, Vice President and Portfolio Manager	Eaton Vance	2016
Michael C. Buchanan, CFA®, Deputy Chief Investment Officer	Western	2005
Walter E. Kilcullen, Portfolio Manager	Western	2017
S. Kenneth Leech, Chief Investment Officer	Western	2014

## Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange (“NYSE”) is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.

## Tax information

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two.

## Payments to financial intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.



# International Fixed Income Fund

## Investment objective

Maximize current income, consistent with the protection of principal.

## Fund fees and expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK <sup>®</sup> Pathway, Consulting Group Advisor, Select UMA or Portfolio Management investment advisory programs (as a percentage of prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	0.50%
Distribution (12b-1) Fees	None
Other Expenses <sup>(1)</sup>	0.66%
Total Annual Fund Operating Expenses	1.16%
Waiver*	(0.05)%
Net Annual Fund Operating Expenses* <sup>(1)</sup>	1.11%

\* Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. This contractual waiver will only apply if the Fund's total management fees exceed the total amount of sub-advisory fees paid by CGAS plus 0.20% and will not affect the Fund's total management fees if they are less than such amount. This fee waiver and reimbursement agreement shall remain in effect until January 1, 2022. The agreement may be amended or terminated only with the consent of the Board of Trustees.

<sup>(1)</sup> Includes interest expense which represents 0.09%.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The effect of the Fund's contractual fee waiver is only reflected in the first year of the example. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$314	\$970	\$1,650	\$3,463

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 437% of the average value of its portfolio.

## Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income instruments. The Fund invests primarily in fixed income instruments of issuers located outside the U.S. Up to 15% of the Fund's total assets may be invested in fixed income instruments of issuers located in emerging markets countries. The fixed income instruments in which the Fund may invest include securities issued or guaranteed by the U.S. Government, its agencies or government-sponsored enterprises (Note that securities issued by U.S. Government agencies or government-sponsored enterprises may not be guaranteed by the U.S. Treasury); corporate debt securities of U.S. and non-U.S. issuers, including preferred and convertible securities and corporate commercial paper; mortgage-backed and other asset-backed securities; inflation-indexed bonds issued both by governments and corporations; structured notes, including hybrid or "indexed" securities and event-linked bonds; loan participations and assignments; delayed funding loans and revolving credit facilities; bank loans; bank certificates of deposit, fixed time deposits and bankers' acceptances; repurchase agreements on fixed income instruments and reverse repurchase agreements on fixed income instruments; debt securities issued by foreign sovereigns, states or local governments and their agencies, authorities and other government-sponsored enterprises; obligations of non-U.S. governments or their subdivisions, agencies and government-sponsored enterprises; and obligations of international agencies or supranational entities.

The Fund also may invest in derivatives based on fixed income instruments including futures, forwards, options, swaps, and swaptions and may use other investment techniques such as mortgage dollar rolls, buy-backs and securities lending to earn additional income. The Fund also may engage in short sales and invest in privately placed securities.

Investments may be structured to provide all types of interest rate payments, including fixed, variable, floating, inverse, zero or interest-only rates of interest. The Fund may invest in currency spot and forward transactions for the purpose of active currency exposure. Foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) normally will be limited to 30% of the Fund's total assets. The Fund may also invest up to 10% of its total assets in preferred stocks,

convertible securities and other equity-related securities. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

**Credit Quality.** The Fund invests primarily in investment grade debt securities, but may invest up to 15% of its total assets in non-investment grade securities (sometimes called “high yield securities” or “junk bonds”) rated CCC- or higher by Moody’s, or equivalently rated by S&P or Fitch, or, if unrated, determined by the Sub-adviser (as defined below) to be of comparable quality.

**Duration.** The Fund’s average portfolio duration, as calculated by the Sub-adviser, normally ranges within two years (plus or minus) of the duration of the benchmark index. Duration is an approximate measure of the sensitivity of the market value of the Fund’s holdings to changes in interest rates. Maturity means the date on which the principal amount of a debt security is due and payable. The Fund may invest in individual securities of any maturity.

## Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

The Fund’s principal risks include:

- **Market Risk**, which is the risk that the Fund will be affected by broad changes in the fixed income markets. The prices of the Fund’s fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund’s fixed income securities will decrease in value if interest rates rise and vice versa. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In response to these events, the Fund’s value may fluctuate and/or the Fund may experience increased redemptions from shareholders, which may impact the Fund’s liquidity or force the Fund to sell securities into a declining or illiquid market. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term.
- **Interest Rate Risk**, which is the risk that interest rates rise and fall over time. When interest rates are low, the Fund’s yield and total return also may be low. When interest rates rise, bond prices generally fall, which might cause the Fund’s share price to fall. When the Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund’s shares.

- **Portfolio Turnover Risk**, which is the risk that due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.
- **Credit and Junk Bond Risk**, which means the credit quality of an investment could cause the Fund to lose money. Non-investment grade securities (sometimes called “high yield securities” or “junk bonds”) involve greater risks of default or downgrade, are more volatile and may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity, which could substantially adversely affect the market value of the securities.
- **Prepayment and Extension Risks**, which means a debt obligation may be paid off earlier or later than expected. Either situation could cause the Fund to hold securities paying lower-than-market rates of interest, which could hurt the Fund’s yield or share price.
- **Mortgage-Backed Securities Risk**, exists when the Fund invests in mortgage-backed securities, which represent an interest in a pool of mortgages. Mortgage-backed securities are subject to prepayment and extension risk as well as the risk that underlying borrowers will be unable to meet their obligations.
- **Asset-Backed Securities Risk**, exists when the Fund invests in asset-backed securities which are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. Asset-backed securities are subject to many of the same risks as mortgage-backed securities including prepayment and extension risk. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited.
- **Convertible and Preferred Securities Risk**, convertible and preferred securities have many of the same characteristics as stocks, including many of the same risks. In addition, convertible securities may be more sensitive to changes in interest rates than stocks. Convertible securities may also have credit ratings below investment grade, meaning that they carry a higher risk of failure by the issuer to pay principal and/or interest when due.
- **Derivatives Risk**, which means that the Fund’s use of futures, forwards, options, swaps and swaptions based on fixed income instruments to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Even a small investment in futures, forwards, options, swaps and swaptions can have a large impact on the Fund’s interest rate, securities market and currency exposure. Therefore, using futures, forwards, options, swaps and swaptions can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing.

The Fund may not fully benefit from or may lose money on its investment in futures, forwards, options, swaps and swaptions if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain futures, forwards, options, swaps and swaptions presents the same types of credit risks as issuers of fixed income securities. Investing in futures, forwards, options, swaps and swaptions can also make the Fund's assets less liquid and harder to value, especially in declining markets.

- *Delayed Funding Loans and Revolving Credit Facilities Risk*, the Fund's investments in delayed funding loans and revolving credit facilities may have the effect of requiring the Fund to increase its investment in a company at a time when it might not otherwise decide to do so. Delayed funding loans and revolving credit facilities are subject to credit, interest rate and liquidity risk and the risks of being a lender.
- *Event-Linked Exposure Risk*, event-linked exposure results in gains or losses that typically are contingent, or formulaically related to defined trigger events such as hurricanes, earthquakes, weather-related phenomena, or statistics relating to such events. If a trigger event occurs, a Fund may lose a portion of or the entire principal investment in the case of a bond or a portion of or the entire notional amount in the case of a swap. Event-linked exposure instruments often provide for an extension of maturity to process and audit loss claims where a trigger event has, or possibly has, occurred, such extension of maturity may increase volatility. Event-linked exposure may also expose a Fund to liquidity risk and certain unanticipated risks including credit risk, counterparty risk, adverse regulatory or jurisdictional interpretations, and adverse tax consequences.
- *Foreign Investment Risk*, which means risks unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
- *Emerging Markets Risk*, which refers to the fact that in addition to foreign investment and currency risks, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. The Fund also could experience a loss from settlement and custody practices in some emerging markets.
- *Currency Risk*, which refers to the risk that as a result of the Fund's active positions in currencies and investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged.
- *Short Sale Risk*, selling short may produce higher than normal portfolio turnover, result in increased transaction costs and magnify the potential for both gain and loss to the Fund. In addition, because the Fund's loss on a short sale

arises from increases in the value of the security sold short, such loss is theoretically unlimited. By contrast, the Fund's loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot drop below zero.

- *Liquidity Risk*, exists when securities are difficult or impossible for the Fund to sell at the time and the price that the Fund would like due to a limited market or to legal restrictions. These securities may also need to be fair valued.
- *Non-Diversification Risk*, which means that because the Fund is a "non-diversified" fund, it is permitted to invest in a limited number of issuers. To the extent the Fund invests in a limited number of issuers or countries, it is subject, to a greater extent, to the risks associated with those issuers or countries.
- *Securities Lending Risk*, which includes the potential insolvency of a borrower and losses due to the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Manager Risk*, which is the risk that poor security selection by the Sub-adviser will cause the Fund to underperform. This risk is common for all actively managed funds.
- *Equity Risk*, which is the risk that prices of equity securities rise and fall daily due to factors affecting individual companies, particular industries or the equity market as a whole.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate, the London Interbank Offered Rate, may no longer be calculated after 2021. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR.
- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *Leverage Risk* means that the Fund's use of derivatives may result in the Fund's total investment exposure substantially exceeding the value of its portfolio securities and that the Fund's investment returns depending substantially on the performance of securities that the Fund may not directly own. The use of leverage can amplify the effects of market volatility on the Fund's share price and may also cause the Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations. The Fund's use of leverage may result in a heightened risk of investment loss.
- *Foreign Sovereign Debt securities risk* includes that (i) the governmental entity that controls the repayment of sovereign debt may not be willing or able to repay the principal and/or interest when it becomes due, due to factors such as debt service burden, political constraints, cash flow problems and other national economic factors; (ii) governments may default on their debt securities, which may require the Fund, as a holder of such securities, to participate in debt

rescheduling or additional lending to defaulting governments; and (iii) there is no bankruptcy proceeding by which defaulted sovereign debt may be collected in whole or in part.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

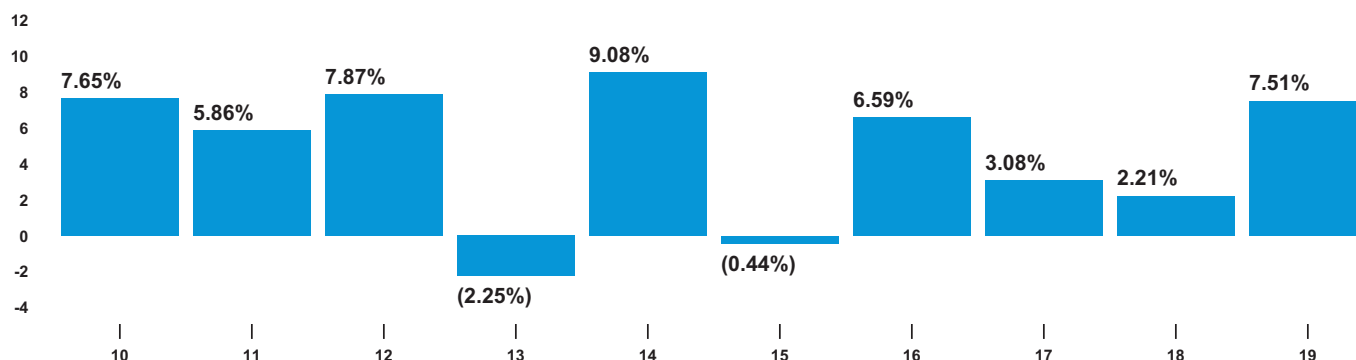
## Performance

The bar chart below shows how the Fund's investment results have varied from year to year, and the following table shows how the Fund's annual total returns for various periods

compare to those of the Fund's benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.** The Fund's past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

## Annual total returns (%) calendar years

### International Fixed Income Fund



### Fund's best and worst calendar quarters

Best: 3.57% in 2nd quarter 2010

Worst: (4.29)% in 2nd quarter 2015

Year-to-date: 3.70% (through 3rd quarter 2020)

### Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE: 11/18/1991	1 YEAR	5 YEARS	10 YEARS
<b>Fund (without advisory program fee)</b>			
Return Before Taxes	7.51%	3.75%	4.65%
Return After Taxes on Distributions	5.52%	2.27%	2.90%
Return After Taxes on Distributions and Sale of Fund Shares	4.33%	2.14%	2.77%
FTSE Non-U.S. Dollar World Government Bond Index (USD)-Hedged (reflects no deduction for fees, expenses or taxes)	8.02%	4.02%	4.32%
Lipper International Income Funds Average	6.24%	1.71%	2.66%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's benchmark is the FTSE Non-U.S. Dollar World Government Bond Index (USD)-Hedged. The benchmark is a market capitalization-weighted index consisting of government bond markets in developed countries, excluding the U.S., as the term "developed countries" is defined by the benchmark. Unlike the Fund, the benchmark is unmanaged and does not include any fees or expenses. An investor cannot invest directly in an index. Unlike the FTSE Non-U.S. Dollar World Government Bond Index (USD)-Hedged, the Fund may invest in U.S. securities.

The Fund also compares its performance with the Lipper International Income Funds Average. The Lipper International Income Funds Average is an average of the reinvested



performance of funds that invest primarily in U.S. dollar and non-U.S. dollar debt securities located in at least three countries, excluding the United States, except in periods of market weakness.

### Investment adviser

Consulting Group Advisory Services LLC (“CGAS” or the “Manager”), a business of Morgan Stanley Wealth Management (“MSWM”), serves as the investment adviser for the Fund. Subject to Board review, the Manager selects and oversees professional money managers (each a “Sub-adviser,” collectively, the “Sub-advisers”) who are responsible for investing the assets of the Fund. The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser’s skills and investment results in managing assets for specific asset

classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund’s assets among one or more Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund’s investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund’s investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

### Sub-adviser and portfolio manager

Pacific Investment Management Company LLC (“PIMCO”)

PORTFOLIO MANAGER	SUB-ADVISER OR ADVISER	FUND’S PORTFOLIO MANAGER SINCE
Sachin Gupta, Managing Director and Portfolio Manager	PIMCO	2014

### Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange (“NYSE”) is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.

### Tax information

The Fund’s distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two.

### Payments to financial intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

# Municipal Bond Fund

## Investment objective

A high level of interest income that is excluded from federal income taxation, to the extent consistent with prudent investment management and the preservation of capital.

## Fund fees and expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK® Pathway, Consulting Group Advisor, Select UMA or Portfolio Management investment advisory programs (as a percentage of prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	0.40%
Distribution (12b-1) Fees	None
Other Expenses	0.33%
Total Annual Fund Operating Expenses	0.73%
Waiver*^	None
Net Annual Fund Operating Expenses*	0.73%

\* Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. This contractual waiver will only apply if the Fund's total management fees exceed the total amount of sub-advisory fees paid by CGAS plus 0.20% and will not affect the Fund's total management fees if they are less than such amount. This fee waiver and reimbursement agreement shall remain in effect until January 1, 2022. The agreement may be amended or terminated only with the consent of the Board of Trustees.

^ No portion of the management fees were waived during the most recent fiscal year.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$276	\$847	\$1,445	\$3,061

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 10% of the average value of its portfolio.

## Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in tax exempt general obligation, revenue and private activity bonds and notes, which are issued by or on behalf of states, territories or possessions of the U.S. and the District of Columbia and their political subdivisions, agencies and instrumentalities (including Puerto Rico, the Virgin Islands and Guam). Tax-exempt means that the bonds pay interest that is excluded from gross income for regular federal income tax purposes but such bonds may pay income that is subject to the alternative minimum tax.

**Credit quality.** The Fund limits its investments to 20% in municipal obligations that are rated below investment grade by a nationally recognized statistical rating organization, or, if unrated, of equivalent quality as determined by the Sub-adviser (as defined below).

**Duration.** The Fund's average portfolio duration, as calculated by the Sub-adviser, is typically maintained at +/- 3 years of the average benchmark duration, which is the average duration of all the constituent bonds in the Bloomberg Barclays U.S. Municipal Bond Index. The Sub-adviser seeks to target the average duration of the benchmark which varies over time and may be impacted by market conditions. Duration is an approximate measure of the sensitivity of the market value of the portfolio holdings to changes in interest rates.

The Fund may engage in transactions in certain derivatives, such as financial futures contracts and options thereon, indexed and inverse floating rate obligations and swap agreements, including credit default swap agreements. The Fund may use derivative instruments to hedge its investments or to seek to enhance returns.

The Fund may leverage its assets through the use of proceeds received through tender option bond transactions. In a tender option bond transaction, the Fund transfers municipal bonds or other municipal securities into a special purpose entity (a "TOB Trust"). A TOB Trust typically issues two classes of beneficial interests: short-term floating rate interests ("TOB Floaters"), which are sold to third party investors, and residual inverse floating rate interests ("TOB Residuals"), which are generally issued to the Fund. The Fund may invest in TOB Residuals and may also invest in TOB Floaters. The Fund will look through to

the underlying municipal bond held by a TOB Trust for purposes of the Fund's 80% policy.

## Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that municipal bond prices decline overall. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Market risk may affect a single company, sector of the economy or the market as a whole. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets.
- **Interest Rate Risk**, which is the risk that interest rates rise and fall over time. When interest rates are low, the Fund's yield and total return also may be low. When interest rates rise, bond prices generally fall, which might cause the Fund's share price to fall. When the Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund's shares.
- **Credit and Junk Bond Risk**, which means the credit quality of an investment could cause the Fund to lose money. Non-investment grade securities (sometimes called "high yield securities" or "junk bonds") involve greater risks of default or downgrade, are more volatile and may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity, which could substantially adversely affect the market value of the securities.
- **Prepayment and Extension Risks**, which means a debt obligation may be paid off earlier or later than expected. Either situation could cause the Fund to hold securities paying lower-than-market rates of interest, which could hurt the Fund's yield or share price.
- **Municipal Securities Risk**, which includes the risk that new federal or state legislation or Internal Revenue Service determinations may adversely affect the tax-exempt status of securities held by the Fund or the financial ability of the municipalities to repay these obligations. Municipal securities, like other fixed income securities, rise and fall in value in response to economic and market factors, primarily changes in interest rates, and actual or perceived credit quality. Rising interest rates will generally cause municipal securities to decline in value. Longer-term securities usually respond more sharply to interest rate changes than do shorter-term securities. A municipal security will also lose value if, due to rating downgrades or other factors, there are concerns about the issuer's current or future ability to make principal or interest payments. State and local governments rely on taxes and, to some extent, revenues from private projects financed by municipal securities, to pay interest and principal on municipal debt. Poor statewide or local economic results or changing political sentiments may reduce tax revenues and increase the expenses of municipal issuers, making it more difficult for them to meet their obligations. Actual or perceived erosion of the creditworthiness of municipal issuers may reduce the value of the Fund's holdings. As a result, the Fund will be more susceptible to factors that adversely affect issuers of municipal obligations than a mutual fund that does not have as great a concentration in municipal obligations. Also, there may be economic or political changes that impact the ability of issuers of municipal securities to repay principal and to make interest payments on securities owned by the Fund. Any changes in the financial condition of municipal issuers may also adversely affect the value of the Fund's securities. Due to local economic and financial conditions, certain municipal issuers will be more susceptible to default on their obligations than others. Each of these risks may be heightened with respect to investments in U.S. instrumentalities, such as Guam, the Virgin Islands and Puerto Rico.
- **Liquidity Risk**, exists when securities are difficult or impossible for the Fund to sell at the time and the price that the Fund would like due to a limited market or to legal restrictions. These securities may also need to be fair valued.
- **Taxation Risk**, which means the possibility that some of the Fund's income distributions, and distributions of the Fund's gains, may be subject to federal taxation. The Fund will rely on the opinions of issuers' bond counsel on the tax-exempt status of interest on municipal bond obligations. Neither the Fund nor its Sub-adviser will independently review the bases for those tax opinions, which may ultimately be determined to be incorrect and subject the Fund and its shareholders to substantial tax liabilities. In addition, the Fund may realize taxable gains on the sale of its securities or other transactions, and some of the Fund's income distributions may be subject to the federal alternative minimum tax. This may result in a lower tax-adjusted return. Additionally, distributions of the Fund's income and gains generally will be subject to state taxation. Municipal bond funds are generally not appropriate investments for those investing through a tax-deferred account, such as an individual retirement account or employer-sponsored retirement plan, because the funds' tax advantages are not applicable if investing through such an account.
- **LIBOR Transition Risk** refers to the fact that a commonly used interest rate, the London Interbank Offered Rate, may no longer be calculated after 2021. The process of

transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR.

- *Manager Risk*, which is the risk that poor security selection by the Sub-adviser will cause the Fund to underperform relevant benchmarks or other investments with similar strategies. This risk is common for all actively managed funds.
- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *Leverage Risk*, which means the Fund's use of leverage may exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities and cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to maintain asset coverage.
- *Tender Option Bonds and Related Securities Risk*, which means the Fund's participation in tender option bond transactions may reduce the Fund's returns and/or increase volatility. Investments in tender option bond transactions expose the Fund to counterparty risk and leverage risk. An investment in a tender option bond transaction typically will involve greater risk than an investment in a municipal fixed rate security, including the risk of loss of principal. Distributions on TOB Residuals will bear an inverse relationship to short-term municipal security interest rates. Distributions on TOB Residuals paid to the Fund will be reduced or, in the extreme, eliminated as short-term municipal interest rates rise and will increase when short-term municipal interest rates fall. TOB Residuals generally will underperform the market for fixed rate municipal securities in a rising interest rate environment. The Fund may invest in TOB Trusts on either a non-recourse or recourse basis. If the Fund invests in a TOB Trust on a recourse basis, it could suffer losses in excess of the value of its TOB Residuals.
- *Derivatives Risk*, which means that the Fund's use of futures, options and swaps based on fixed income instruments to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Even a small investment in futures, options and swaps can have a large impact on the Fund's interest

rate, securities market and currency exposure. Therefore, using futures, options and swaps can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in futures, options and swaps if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain futures, options and swaps presents the same types of credit risks as issuers of fixed income securities. Investing in futures, options and swaps can also make the Fund's assets less liquid and harder to value, especially in declining markets.

- *Floating Rate Obligations Risk*, which is the risk that unexpected changes in the interest rates on floating rate obligations could result in losses to the Fund. The price of inverse floating rate obligations (inverse floaters) is expected to decline when interest rates rise, and generally will be more volatile and decline further than the price of a bond with a similar maturity.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

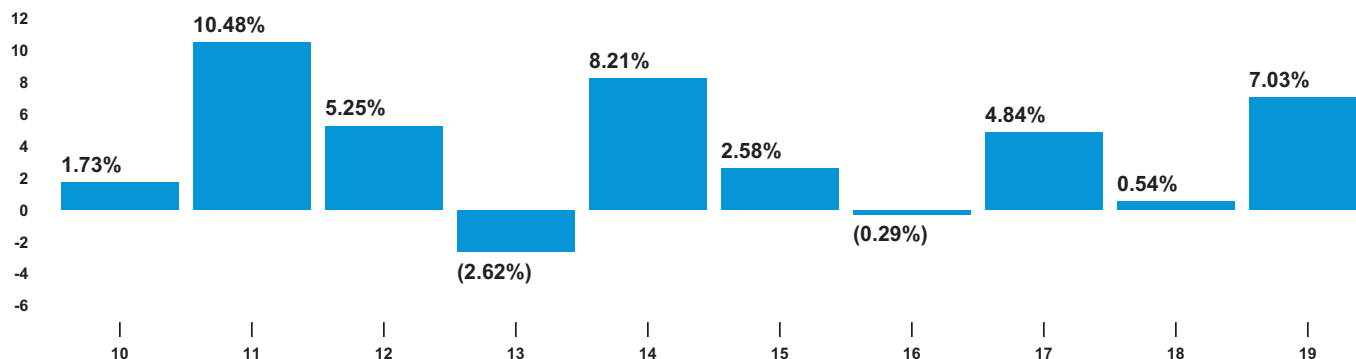
## Performance

The bar chart below shows how the Fund's investment results have varied from year to year, and the following table shows how the Fund's annual total returns for various periods compare to those of the Fund's benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.** The Fund's past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).



## Annual total returns (%) calendar years

### Municipal Bond Fund



### Fund's best and worst calendar quarters

Best: 3.74% in 3rd quarter 2010

Worst: (4.74)% in 4th quarter 2010

Year-to-date: 2.01% (through 3rd quarter 2020)

### Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE: 11/18/1991	1 YEAR	5 YEARS	10 YEARS
<b>Fund (without advisory program fee)</b>			
Return Before Taxes	7.03%	2.91%	3.70%
Return After Taxes on Distributions	6.84%	2.65%	3.54%
Return After Taxes on Distributions and Sale of Fund Shares	5.23%	2.77%	3.48%
Bloomberg Barclays U.S. Municipal Bond Index (reflects no deduction for fees, expenses or taxes)	7.54%	3.53%	4.34%
Lipper General & Insured Municipal Debt Funds Average	7.63%	3.32%	4.35%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's primary benchmark is the Bloomberg Barclays U.S. Municipal Bond Index. The benchmark is a composite measure of the total return performance of the municipal bond market. Unlike the Fund, the benchmark is unmanaged and does not include any fees or expenses. An investor cannot invest directly in an index.

The Fund also compares its performance with the Lipper General & Insured Municipal Debt Funds Average. The Lipper General & Insured Municipal Debt Funds Average is composed of funds that, by fund practice, invest in municipal debt issues in the top four credit ratings as determined by a nationally recognized statistical rating organization.

### Investment adviser

Consulting Group Advisory Services LLC ("CGAS" or the "Manager"), a business of Morgan Stanley Wealth Management ("MSWM"), serves as the investment adviser for the Fund. Subject to Board review, the Manager selects and oversees professional money managers (each a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund. The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund's assets among one or more Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund's investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund's investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

## Sub-adviser and portfolio managers

BlackRock Financial Management, Inc. ("BlackRock")

PORTFOLIO MANAGERS	SUB-ADVISER OR ADVISER	FUND' PORTFOLIO MANAGER SINCE
Michael Kalinoski, CFA® Director	BlackRock	2019
Kevin Maloney, CFA® Vice President	BlackRock	2019

### Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange ("NYSE") is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.

### Tax information

The Fund's distributions are generally expected to be exempt from regular federal income tax.

### Payments to financial intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Inflation-Linked Fixed Income Fund

## Investment objective

Total return that exceeds the rate of inflation over an economic cycle.

## Fund fees and expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK® Pathway, Consulting Group Advisor, Select UMA or Portfolio Management investment advisory programs (as a percentage of prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	0.50%
Distribution (12b-1) Fees	None
Other Expenses <sup>(1)</sup>	0.77%
Total Annual Fund Operating Expenses	1.27%
Waiver*	(0.05)%
Net Annual Fund Operating Expenses* <sup>(1)</sup>	1.22%

\* Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. This contractual waiver will only apply if the Fund's total management fees exceed the total amount of sub-advisory fees paid by CGAS plus 0.20% and will not affect the Fund's total management fees if they are less than such amount. This fee waiver and reimbursement agreement shall remain in effect until January 1, 2022. The agreement may be amended or terminated only with the consent of the Board of Trustees.

<sup>(1)</sup> Includes interest expense which represents 0.35%.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The effect of the Fund's contractual fee waiver is only reflected in the first year of the example. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$325	\$1,002	\$1,703	\$3,564

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 193% of the average value of its portfolio.

## Principal investment strategies

Under normal market conditions, the Fund will invest at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income securities. The Fund seeks to allocate assets among investments to achieve the highest level of real return (total return less the rate of inflation). The Fund will shift its investments among the following general asset classes: inflation-indexed securities issued by governments, corporations, and municipal issuers; investment grade fixed income securities and high-yield fixed income securities (i.e., junk bonds) issued by governments, corporations, and municipal issuers; and short-term non-dollar denominated debt securities. The Fund may also, to a lesser extent, invest in equity securities with high correlation to broad measures of inflation.

Inflation-indexed securities are fixed income securities that are structured to provide protection against inflation. The value of the security's principal or the interest income paid on the security will be adjusted to track changes in an official inflation measure. The U.S. Treasury uses the Consumer Price Index for Urban Consumers as their inflation measure. Inflation-indexed securities issued by a foreign government are generally adjusted to reflect a comparable inflation index, calculated by that government.

The Fund invests primarily in investment grade debt securities; however, the Fund may invest up to 20% of its total assets in below investment grade debt securities (i.e., junk bonds), as rated by Moody's, S&P or Fitch or, if unrated, determined by the Sub-adviser (as defined below) to be of comparable credit quality to such a rating. The Fund may also invest up to 30% of its total assets in foreign currency denominated securities, including emerging market securities. For purposes of pursuing its investment goal, the Fund may enter into currency-related transactions involving certain derivative instruments, including currency and cross currency forward contracts. The use of derivative currency transactions may allow the Fund to reduce a specific risk exposure of a portfolio security or its denominated currency or to obtain net long exposure to selected currencies. Under normal market conditions, the Fund will seek to limit its foreign currency exposure to 20% of its total assets.

The Fund may invest, without limitation, in derivative instruments, such as options, futures contracts, or swap

agreements, or in mortgage- or asset- backed securities, subject to applicable law and any other restrictions described in this Prospectus or Statement of Additional Information. The Fund may purchase or sell securities on a when-issued, delayed delivery, or forward commitment basis and may engage in short sales. The Fund may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The Fund may also invest up to 10% of its total assets in preferred stocks.

The Fund's investment objective is not fundamental and may be changed by the Board of Trustees without shareholder approval.

### Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Interest Rate Risk**, the risk that fixed income securities will decline in value because of an increase in interest rates; a fund with longer average portfolio duration will be more sensitive to changes in interest rates than a fund with shorter average portfolio duration.
- **Call Risk**, the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Fund has invested in, the Fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.
- **Credit Risk**, the risk that the Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.
- **High Yield Risk**, the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments and may be more volatile than higher-rated securities of similar maturity.
- **Market Risk**, the risk that the value of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term.
- **Issuer Risk**, the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- **Liquidity Risk**, the risk that a particular investment may be difficult to purchase or sell and that the Fund may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity.
- **Derivatives Risk**, the risk of investing in derivative instruments (such as forwards, futures, options, swaps and structured securities), include liquidity, interest rate, market, and credit risks, each of which is described herein. Derivative instruments also may be difficult to accurately price due to their complexity, particularly derivative instruments that are traded off an exchange (also known as "over the counter"). Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Fund could lose more than the initial amount invested. The Fund's use of derivatives may result in losses to the Fund, a reduction in the Fund's returns and/or increased volatility. Over-the-counter derivatives are also subject to the risk that the other party in the transaction will not fulfill its contractual obligations. For derivatives traded on exchanges, the primary credit risk is the creditworthiness of the Fund's clearing broker or the exchange itself.
- **LIBOR Transition Risk** refers to the fact that a commonly used interest rate, the London Interbank Offered Rate, may no longer be calculated after 2021. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR.
- **Equity Risk**, the risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.
- **Mortgage-Related and Other Asset-Backed Securities risk**, the risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk, and credit risk.
- **Asset-Backed Securities Risk**, exists when the Fund invests in asset-backed securities which are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card

agreements. Asset-backed securities are subject to many of the same risks as mortgage-backed securities including prepayment and extension risk. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited.

- *Foreign (Non-U.S.) Investment Risk*, the risk that investing in foreign securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.
- *Emerging Markets Risk*, the risk of investing in emerging market securities, primarily increased foreign investment risk.
- *Sovereign Debt Risk*, the risk that investments in fixed income instruments issued by sovereign entities may decline in value as a result of default or other adverse credit event resulting from the issuer's inability or unwillingness to make principal or interest payments in a timely fashion.
- *Currency Risk*, the risk that foreign currencies will decline in value relative to the U.S. dollar and affect the Fund's investments in foreign currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign currencies.
- *Leveraging Risk*, the risk that certain transactions of the Fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Fund to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.

- *Short Sale Risk*, the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund.
- *Portfolio Turnover Risk*, which is the risk that due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

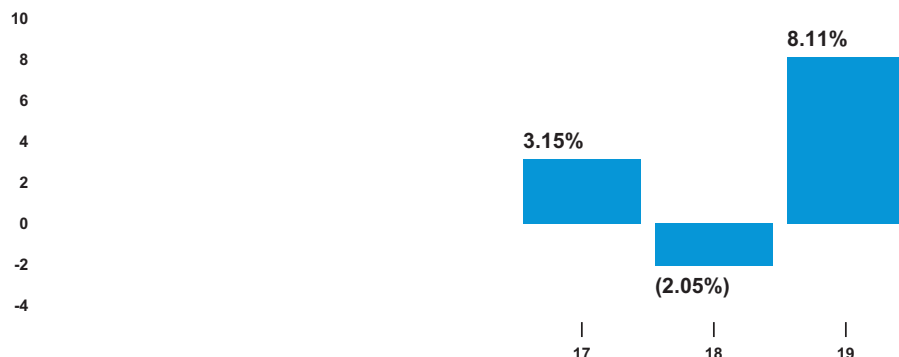
## Performance

The bar chart below shows how the Fund's investment results have varied from year to year, and the following table shows how the Fund's annual total returns for various periods compare to those of the Fund's benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.** The Fund's past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).



## Annual total returns (%) calendar years

### Inflation-Linked Fixed Income Fund



### Fund's best and worst calendar quarters

Best: 3.37% 1st quarter 2019

Worst: (1.85)% 4th quarter 2016

Year-to-date: 10.74% (through 3rd quarter 2020)

### Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE: 3/8/2016

1 YEAR

#### Fund (without advisory program fee)

Return Before Taxes	8.11%
Return After Taxes on Distributions	7.12%
Return After Taxes on Distributions and Sale of Fund Shares	4.80%
Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (reflects no deduction for fees, expenses or taxes)	8.43%
Lipper Inflation Protected Bond Funds Average	7.38%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's benchmark is the Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index. Unlike the Fund, the benchmark is unmanaged and does not include any fees or expenses. An investor cannot invest directly in an index.

The Fund also compares its performance with the Lipper Inflation Protected Bond Funds Average. The Lipper Inflation

Protected Bond Funds Average is composed of funds that invest primarily in inflation-indexed fixed income securities issued in the United States that are structured to provide protection against inflation.

### Investment adviser

Consulting Group Advisory Services LLC ("CGAS" or the "Manager"), a business of Morgan Stanley Wealth Management ("MSWM"), serves as the investment adviser for the Fund. Subject to Board review, the Manager selects and oversees professional money managers (each a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund. The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund's assets among one or more Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund's investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund's investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

Sub-adviser and portfolio managers

Pacific Investment Management Company LLC (“PIMCO”)

PORTFOLIO MANAGERS	SUB-ADVISER OR ADVISER	FUND’S PORTFOLIO MANAGER SINCE
Daniel He, Senior Executive Vice President and Real Return Portfolio Manager	PIMCO	2019
Steve Rodosky, Managing Director and Real Return Portfolio Manager	PIMCO	2019

Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange (“NYSE”) is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.

Tax information

The Fund’s distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two.

Payments to financial intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

# Ultra-Short Term Fixed Income Fund

## Investment objective

Total return, consistent with preservation of capital.

## Fund fees and expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK® Pathway, Consulting Group Advisor, Select UMA or Portfolio Management investment advisory programs (as a percentage of prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	0.50%
Distribution (12b-1) Fees	None
Other Expenses <sup>(1)</sup>	0.19%
Total Annual Fund Operating Expenses	0.69%
Waiver*	(0.05)%
Net Annual Fund Operating Expenses* <sup>(1)</sup>	0.64%

\* Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. This contractual waiver will only apply if the Fund's total management fees exceed the total amount of sub-advisory fees paid by CGAS plus 0.20% and will not affect the Fund's total management fees if they are less than such amount. This fee waiver and reimbursement agreement shall remain in effect until January 1, 2022. The agreement may be amended or terminated only with the consent of the Board of Trustees.

<sup>(1)</sup> Includes interest expense which represents 0.02%.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The effect of the Fund's contractual fee waiver is only reflected in the first year of the example. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$267	\$831	\$1,420	\$3,018

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transactions costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 96% of the average value of its portfolio.

## Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income instruments with maturities of less than or equal to two years.

Under normal market conditions, the Fund invests primarily in investment-grade securities and will seek to maintain an average portfolio duration of two years or less. The Fund seeks to outperform the FTSE 3-Month U.S. Treasury Bill Index over a full market cycle, while maintaining overall risk similar to the index. The Fund will invest in government and corporate debt securities, mortgage- and asset-backed securities, money market instruments, collateralized loan obligations ("CLOs"), and derivatives, including futures contracts, forward contracts (such as currency and cross-currency forwards), options and swaps (such as interest rate swaps and credit default swaps). The Fund may invest up to 20% of net assets in securities rated below investment grade. It may also invest up to 30% of its total assets in securities denominated in foreign currencies and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. Under normal market conditions, the Fund will seek to limit its foreign currency exposure to 20% of its total assets. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help fund performance.

The Fund may invest up to 20% of its total assets in non-investment grade securities (sometimes called "high yield securities" or "junk bonds") rated CCC- or higher by Moody's, or equivalently rated by S&P or Fitch, or, if unrated, determined by the Sub-adviser (as defined below) to be of comparable credit quality.

The Fund's average portfolio duration, as calculated by the Sub-adviser is normally less than two years. Duration is an approximate measure of the sensitivity of the market value of the Fund's holdings to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. In addition, the dollar-weighted average portfolio maturity of the Fund, under normal circumstances, is expected not to exceed three years. Maturity means the date on which the principal amount of a debt security is due and payable. Individual investments may be of any maturity.

The Fund may purchase or sell securities on a when-issued, delayed delivery, or forward commitment basis and may



engage in short sales. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sales contracts or by using other investment techniques (such as buy-backs or dollar rolls).

The Fund's investment objective is not fundamental and may be changed by the Board of Trustees without shareholder approval.

## Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Interest Rate Risk**, the risk that fixed income securities will decline in value because of an increase in interest rates; a fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration.
- **Call Risk**, the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Fund has invested in, the Fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.
- **Credit Risk**, the risk that the Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.
- **High Yield Risk**, the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments and may be more volatile than higher-rated securities of similar maturity.
- **Market Risk**, the risk that the value of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term.
- **Issuer Risk**, the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- **Liquidity Risk**, the risk that a particular investment may be difficult to purchase or sell and that the Fund may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity.
- **Derivatives Risk**, the risk of investing in derivative instruments (such as forwards, futures, options, swaps and structured securities), include liquidity, interest rate, market, and credit risks, each of which is described herein. Derivative instruments also may be difficult to accurately price due to their complexity, particularly derivative instruments that are traded off an exchange (also known as "over the counter"). Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Fund could lose more than the initial amount invested. The Fund's use of derivatives may result in losses to the Fund, a reduction in the Fund's returns and/or increased volatility. Over-the-counter derivatives are also subject to the risk that the other party in the transaction will not fulfill its contractual obligations. For derivatives traded on exchanges, the primary credit risk is the creditworthiness of the Fund's clearing broker or the exchange itself.
- **LIBOR Transition Risk** refers to the fact that a commonly used interest rate, the London Interbank Offered Rate, may no longer be calculated after 2021. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR.
- **Securities Lending Risk**, which includes the potential insolvency of a borrower and losses due to the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- **Equity Risk**, the risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.
- **Mortgage-Related and Other Asset-Backed Securities Risk**, the risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk, and credit risk.
- **U.S. Government Securities Risk**, which means that although U.S. Government securities are considered to be among the safest investments, they are still subject to the credit risk of the U.S. Government and are not guaranteed against price movements due to changing interest rates. Obligations issued by some U.S. Government agencies are backed by the U.S. Treasury, while others are backed solely by the ability of the agency to borrow from the U.S. Treasury or by the agency's own resources. No assurance can be given that the U.S. Government will provide financial support to its agencies and instrumentalities if it is not obligated by law to do so.

- *Money Market Securities Risk*, means that an investment in the Fund is subject to the risk that the value of its investments in high-quality short-term obligations (“money market securities”) may be subject to changes in interest rates, changes in the rating of any money market security and in the ability of an issuer to make payments of interest and principal.
- *Foreign (Non-U.S.) Investment Risk*, the risk that investing in foreign securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.
- *Currency Risk*, the risk that foreign currencies will decline in value relative to the U.S. dollar and affect the Fund’s investments in foreign currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign currencies.
- *Leveraging Risk*, the risk that certain transactions of the Fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Fund to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.
- *Short Sale Risk*, the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund.
- *Collateralized Loan Obligations Risk*, collateralized loan obligations (“CLOs”) are a type of asset-backed security that

is typically structured as a trust collateralized by a pool of loans. The cash flows from the trust are split into two or more portions, called tranches, varying in risk and yield. The risks of an investment in a CLO depend largely on the type of the collateral securities and the class of the instrument in which the Fund invests. In addition to the normal risks associated with fixed income securities, CLOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the Fund may invest in CLOs that are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

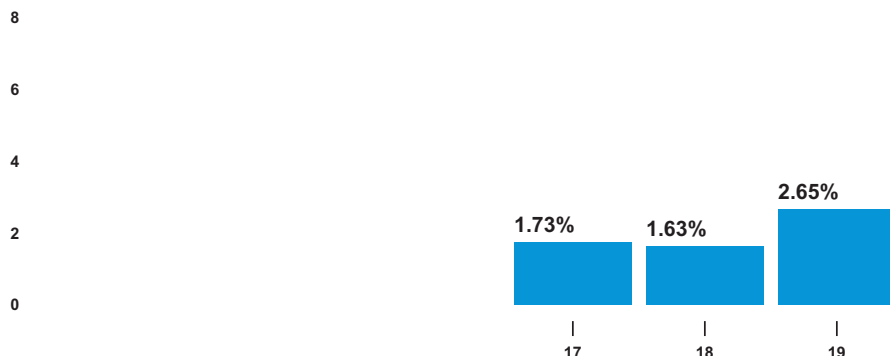
An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

## Performance

The bar chart below shows how the Fund’s investment results have varied from year to year, and the following table shows how the Fund’s annual total returns for various periods compare to those of the Fund’s benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.** The Fund’s past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

## Annual total returns (%) calendar years

### Ultra-Short Term Fixed Income Fund



### Fund's best and worst calendar quarters

Best: 1.01% 4th quarter 2016

Worst: (0.19)% 4th quarter 2018

Year-to-date: 1.81% (through 3rd quarter 2020)

Obligations Funds Average is composed of funds that invest primarily in investment-grade debt issues or better and maintain a portfolio dollar-weighted average maturity between 91 days and 365 days.

### Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE: 3/8/2016

1 YEAR

#### Fund (without advisory program fee)

Return Before Taxes	2.65%
Return After Taxes on Distributions	1.48%
Return After Taxes on Distributions and Sale of Fund Shares	1.57%
FTSE 3-Month U.S. Treasury Bill Index (reflects no deduction for fees, expenses or taxes)	2.25%
Lipper Ultra-Short Obligations Funds Average	2.91%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's benchmark is the FTSE 3-Month U.S. Treasury Bill Index. Unlike the Fund, the benchmark is unmanaged and does not include any fees or expenses. An investor cannot invest directly in an index.

The Fund also compares its performance with the Lipper Ultra-Short Obligations Funds Average. The Lipper Ultra-Short

### Investment adviser

Consulting Group Advisory Services LLC ("CGAS" or the "Manager"), a business of Morgan Stanley Wealth Management ("MSWM"), serves as the investment adviser for the Fund. Subject to Board review, the Manager selects and oversees professional money managers (each a "Sub-adviser," collectively, the "Sub-advisers") who are responsible for investing the assets of the Fund. The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund's assets among one or more Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund's investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund's investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

## Sub-adviser and portfolio manager

Pacific Investment Management Company LLC ("PIMCO")

PORTFOLIO MANAGER	SUB-ADVISER OR ADVISER	FUND'S PORTFOLIO MANAGER SINCE
Jerome M. Schneider, Managing Director and Portfolio Manager	PIMCO	Since Inception

### Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange ("NYSE") is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.

### Tax information

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two.

### Payments to financial intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Alternative Strategies Fund

## Investment objective

Long term growth of capital.

## Fund fees and expenses

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

### Annual Advisory Program Fees

(fees paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program)

Maximum annual fees in the TRAK® Pathway, Consulting Group Advisor, Select UMA or Portfolio Management investment advisory programs (as a percentage of prior quarter-end net assets)*	2.00%
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### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment in the Fund)

Management Fees*	1.20%
Distribution (12b-1) Fees	None
Other Expenses	0.65%
Acquired Fund Fees and Expenses**	1.43%
Total Annual Fund Operating Expenses*	3.28%
Waiver*	(1.15)%
Net Annual Fund Operating Expenses*	2.13%

\*Effective January 1, 2021, CGAS (defined herein) has contractually agreed to waive fees and reimburse expenses for a period of one year in order to keep the Fund's management fees from exceeding the total amount of sub-advisory fees paid by CGAS plus 0.20% based on average net assets. Because the Fund does not currently have sub-advisers, CGAS will contractually waive 1.00% of its management fees. In addition, effective January 1, 2021, CGAS and its affiliates have also separately agreed to waive fees and reimburse expenses in order to keep the Fund's total annual operating expenses, (exclusive of interest from borrowing, brokerage commissions, taxes, acquired fund fees and expenses, and other extraordinary expenses not incurred in the ordinary course of the Fund's business), from exceeding 0.70%. Each of these contractual waiver arrangements shall remain in effect until January 1, 2022 and each may be amended or terminated only with consent of the Board of Trustees.

\*\*The Fund may invest a portion of its assets in other investment companies (the "Acquired Funds"). The Fund's shareholders indirectly bear a pro rata portion of the expenses of the Acquired Funds in which the Fund invests. "Acquired Fund Fees and Expenses" in the table is an estimate of those expenses. The estimate is based upon the average allocation of the Fund's investments in the Acquired Funds and upon the actual total operating expenses of the Acquired Funds (including any current waivers and expense limitations) for the fiscal year ended August 31, 2020. Actual Acquired Fund Fees and Expenses incurred by the Fund may vary with changes in the allocation of Fund assets among the Acquired Funds and with other events that directly affect the fees and expenses of the Acquired Funds. Since "Acquired Fund Fees and Expenses" are not directly borne by the Fund, they are not reflected in the Fund's financial statements, with the result that the information presented in the table will differ from that presented in the Financial Highlights.

## Examples

These examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the Fund for the time periods indicated. The examples also assume that your investment has a 5% return each year and

that the Fund's operating expenses remain the same. The effect of the Fund's contractual fee waivers are only reflected in the first year of the example. The figures are calculated based upon total annual Fund operating expenses and a maximum annual fee of 2.00% for the applicable Morgan Stanley-sponsored investment advisory program through which you invest. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

AFTER 1 YEAR	AFTER 3 YEARS	AFTER 5 YEARS	AFTER 10 YEARS
\$415	\$1,477	\$2,533	\$5,148

## Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in total annual Fund operating expenses or in the above examples, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 34% of the average value of its portfolio.

## Principal investment strategies

Under normal market conditions, the Fund seeks to generate long term growth across market cycles with reduced correlation to the equity and fixed income markets. The Fund seeks to achieve its investment objective by allocating its assets among shares of mutual funds, exchange-traded funds or closed-end funds managed by third-party professional money managers ("Underlying Funds").

The Underlying Funds may apply a variety of alternative investment strategies, but will typically apply one or more of four main investment strategies, including: (i) investments in real asset strategies, (ii) equity-based tactical, value or event-driven strategies, (iii) absolute return strategies that seek to generate returns independent of market conditions, and (iv) equity hedged (i.e., long/short) strategies.

The Underlying Funds' investment strategies may rely in part on derivative investments, such as futures, forwards, swaps, swaptions, and options, to implement their investment strategies, to generate positive returns, for hedging or risk management purposes, to limit volatility and to provide exposure to an instrument without directly purchasing it. The Underlying Funds' investments may also include exposure to companies located both in the U.S. and in foreign countries, including companies located in emerging market countries. The Underlying Funds may invest in securities and other investments of all capitalization sizes, including securities and other investment that have exposure to small- and mid-capitalization issues. The Underlying Funds may also invest in investment grade fixed income securities of any maturity or duration.



The Fund may, in the future, allocate all or a portion of its assets directly to professional money managers (each, a “Sub-Adviser,” collectively, the “Sub-Advisers”), each of which would be responsible for investing its portion of the Fund’s assets. Currently, the Fund does not use any Sub-Advisers.

The Fund’s investment objective is not fundamental and may be changed by the Board of Trustees without shareholder approval.

Due to its investment strategy, the Fund may buy and sell securities and other instruments frequently.

## Principal risks of investing in the Fund

Loss of money is a risk of investing in the Fund.

### The following principal risks are applicable to the Fund:

- *Allocation Risk*, which refers to the risk that the Adviser’s judgment about, and allocations among, strategies through investments in Underlying Funds may adversely affect the Fund’s performance.
- *Closed-end fund risk*, which means that since closed-end funds issue a fixed number of shares they typically trade on a stock exchange or over-the-counter at a premium or discount to their net asset value per share. The Fund will also bear its pro rata portion of any costs of a closed-end fund in which it invests.
- *Investment company and exchange-traded funds (ETFs) risk*, which is when the Fund invests in an investment company, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the investment company’s expenses. In addition, while the risks of owning shares of an investment company generally reflect the risks of owning the underlying investments of the investment company, the Fund may be subject to additional or different risks than if the Fund had invested directly in the underlying investments.
- *Manager risk*, which is the risk that poor selection of Underlying Funds by the Adviser will cause the Fund to underperform.
- *Portfolio turnover risk*, due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

### The following principal risks are applicable to the Fund’s investment in Underlying Funds:

- *Absolute Return Investing Risk*, which refers to the risk that an Underlying Fund’s investment returns may converge with the investment returns of equity or fixed income markets during a period of declining stock prices, thereby eliminating the diversification benefit that the Underlying Fund expects from the strategies. During these times, the strategies’ correlations could increase, which in turn could increase the Underlying Fund’s overall volatility.
- *Active Management Risk*, due to the active management investment strategies used by the Underlying Funds, the Underlying Funds could underperform their benchmark indexes and/or other funds with similar investment objectives and/or strategies.
- *Arbitrage Strategies Risk*, which involves engaging in transactions that attempt to exploit price differences of identical, related or similar securities on different markets or in different forms. The Underlying Funds may realize losses or reduced rate of return if underlying relationships among securities in which they take investment positions change in an adverse manner or if a transaction is unexpectedly terminated or delayed. Trading to seek short-term capital appreciation can be expected to cause an Underlying Fund’s portfolio turnover rate to be substantially higher than that of the average equity-oriented investment company.
- *Alternative Strategies Risk*, pursued by the Underlying Funds may be subject to risks including, but not limited to, derivatives risk, liquidity risk, credit risk, commodities risk and risks associated with the use of leverage.
- *Credit and Junk Bond Risk*, which means the credit quality of an investment could cause an Underlying Fund to lose money. Non-investment grade securities (sometimes called “high yield securities” or “junk bonds”) involve greater risks of default or downgrade, are more volatile and may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity, which could substantially adversely affect the market value of the securities.
- *Currency Risk*, which refers to the risk that as a result of an Underlying Fund’s active positions in currencies and investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged.
- *Derivatives Risk*, which means that an Underlying Fund’s use of futures, forwards, options, swaps and swaptions based on fixed income instruments to enhance returns or hedge against market declines subjects the Underlying Fund to potentially greater volatility and/or losses. Even a small investment in futures, forwards, options, swaps and swaptions can have a large impact on an Underlying Fund’s interest rate, securities market and currency exposure. Therefore, using futures, forwards, options, swaps and swaptions can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. An Underlying Fund may not fully benefit from or may lose money on its investment in futures, forwards, options, swaps and swaptions if changes in their value do not correspond accurately to changes in the value of the Underlying Fund’s holdings. The other party to certain futures, forwards, options, swaps and swaptions presents the same types of credit risks as issuers of fixed

income securities. Investing in futures, forwards, options, swaps and swaptions can also make the Underlying Fund's assets less liquid and harder to value, especially in declining markets.

- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate, the London Interbank Offered Rate, may no longer be calculated after 2021. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR.
- *Event-Linked Exposure Risk*, event-linked exposure results in gains or losses that typically are contingent, or formulaically related to defined trigger events such as hurricanes, earthquakes, weather-related phenomena, or statistics relating to such events. If a trigger event occurs, an Underlying Fund may lose a portion of or the entire principal investment in the case of a bond or a portion of or the entire notional amount in the case of a swap. Event-linked exposure instruments often provide for an extension of maturity to process and audit loss claims where a trigger event has, or possibly has, occurred, such extension of maturity may increase volatility. Event-linked exposure may also expose an Underlying Fund to liquidity risk and certain unanticipated risks including credit risk, counterparty risk, adverse regulatory or jurisdictional interpretations, and adverse tax consequences.
- *Emerging Markets Risk*, emerging markets countries may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. An Underlying Fund also could experience a loss from settlement and custody practices in some emerging markets.
- *Foreign Investment Risk*, which means risks unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
- *Foreign Sovereign Debt Securities Risk*, the risks that (i) the governmental entity that controls the repayment of sovereign debt may not be willing or able to repay the principal and/or interest when it becomes due, due to factors such as debt service burden, political constraints, cash flow problems and other national economic factors; (ii) governments may default on their debt securities, which may require holders of such securities to participate in debt rescheduling or additional lending to defaulting governments; and (iii) there is no bankruptcy proceeding by which defaulted sovereign debt may be collected in whole or in part.
- *Interest Rate Risk*, which is the risk that interest rates rise and fall over time, thereby affecting the value of certain investments of the Fund.
- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

- *Investment Limitation Risk*, which refers to the potential that the Fund may want to invest in an Underlying Fund that is not available in sufficient quantities for the Fund to participate fully due to capacity constraints of the strategy. The Fund may therefore have reduced exposure to a capacity constrained Underlying Fund, which could adversely affect the Fund's return.
- *Leverage Risk*, which means an Underlying Fund's use of leverage may exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities and cause the Underlying Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to maintain asset coverage.
- *Liquidity Risk* exists when securities are difficult or impossible for an Underlying Fund to sell at the time and the price that the Underlying Fund would like due to a limited market or to legal restrictions. These securities may also need to be fair valued.
- *Market Risk*, which is the risk that an Underlying Fund will be affected by changes in the markets for the various securities in which the Underlying Fund invests. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term.
- *MLP Risk*, which is the risk that, to the extent that an MLP's interests are all in a particular industry, the MLP will be negatively impacted by economic events adversely impacting that industry. Additional risks of investing in an MLP also include those involved in investing in a partnership as opposed to a corporation, and the fact that MLPs may be subject to state taxation in certain jurisdictions which will have the effect of reducing the amount of income paid by the MLP to its investors.
- *Short Sale Risk*, selling short may produce higher than normal portfolio turnover, result in increased transaction costs and magnify the potential for both gain and loss to an Underlying Fund.
- *Small and Medium Capitalization Company Risk*, which is the risk that small and medium capitalization companies in which the Underlying Funds invest may be more vulnerable to adverse business or economic events than larger, more established companies.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the risks of investing in the Fund please see the **Fund details** section of this Prospectus.

## Performance

The bar chart below shows how the Fund's investment results have varied from year to year, and the following table shows how the Fund's annual total returns for various periods compare to those of the Fund's benchmark index and Lipper peer group. This information provides some indication of the risks of investing in the Fund. The Fund is available only to

investors participating in Morgan Stanley-sponsored investment advisory programs. These programs charge an annual fee (see Annual Advisory Program Fees above). **The performance information in the bar chart and table below does not reflect this fee, which would reduce your return.**

The Fund's past performance, before and after taxes, does not necessarily indicate how the Fund will perform in the future. For current performance information please see [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

## Annual total returns (%) calendar years

### Alternative Strategies Fund



### Fund's best and worst calendar quarters

Best: 5.48% in 1st quarter 2019

Worst: (4.95)% in 4th quarter 2018

Year-to-date: (1.00)% (through 3rd quarter 2020)

### Average Annual Total Returns

(for the periods ended December 31, 2019)

INCEPTION DATE: 11/18/1991

1 YEAR

#### Fund (without advisory program fee)

Return Before Taxes	10.43%
Return After Taxes on Distributions	9.17%
Return After Taxes on Distributions and Sale of Fund Shares	6.28%
HFRX Global Hedge Index (reflects no deduction for fees, expenses or taxes)	8.62%

The after-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

The Fund's benchmark is the HFRX Global Hedge Index. The benchmark is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies falling within four principal strategies: equity hedge, event driven, macro/CTA and relative value arbitrage. Unlike the Fund, the benchmark is unmanaged

and does not include any fees or expenses. An investor cannot invest directly in an index.

### Investment adviser and portfolio managers

Consulting Group Advisory Services LLC ("CGAS" or the "Manager"), a business of Morgan Stanley Wealth Management ("MSWM"), serves as the investment adviser for the Fund.

PORTFOLIO MANAGERS	ADVISER	FUND'S PORTFOLIO MANAGER SINCE
Zachary Apoian, Executive Director	CGAS	2019
Sukru Saman, Executive Director	CGAS	Since Inception

### Purchase and sale of Fund shares

Purchases of shares of the Fund must be made through an investment advisory program with Morgan Stanley. You may purchase or sell shares of the Fund at net asset value on any day the New York Stock Exchange ("NYSE") is open by contacting your Morgan Stanley Financial Advisor.

- The minimum initial aggregate investment in the Morgan Stanley-sponsored investment advisory programs is \$1,000.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

For more information about the Morgan Stanley-sponsored investment advisory programs, see the About the Funds section of this Prospectus.



**Tax information**

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two.

**Payments to financial intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of

Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Fund details

## Investment objectives, strategies and risks

### Large Cap Equity Fund

#### Investment objective

Capital appreciation.

#### Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in the equity securities of large capitalization (or “cap”) companies or in other investments with similar economic characteristics. The Fund defines large cap companies as companies whose market capitalizations typically fall within the range of the Russell 1000® Index. The market capitalization of the companies in large-cap market indices and the Fund’s portfolio changes over time. The Fund may invest up to 10% of its assets in the securities of foreign issuers that are not traded on a U.S. exchange or the U.S. over-the-counter market. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

#### How the Sub-advisers select the Fund’s investments

**BlackRock Financial Management, Inc. (“BlackRock”)** will employ a “passive” investment approach. This means that BlackRock will attempt to invest in a portfolio of assets whose performance is expected to match approximately the performance of the Russell 1000® Index before deduction of Fund expenses. The Fund will buy or sell securities only when BlackRock believes it is necessary to do so in order to match the performance of the index. Accordingly, it is anticipated that the Fund’s portfolio turnover and trading costs will be lower than those of an “actively” managed fund. However, the Fund has operating and other expenses, while an index does not. Therefore, the Fund will tend to underperform its target index to some degree over time. At times, the portfolio composition of the Fund may be altered (or rebalanced) to reflect changes in the characteristics of the index that the Fund tracks. BlackRock may invest a portion of the account in Exchange Traded Funds (“ETFs”) to reflect a growth or value tilt as directed by the Manager. The percentage of the Fund’s assets allocated to BlackRock is targeted at 55%.

**ClearBridge Investments, LLC (“ClearBridge”)** invests in large capitalization companies that it believes are dominant in their industries due to product, distribution or service strength. ClearBridge emphasizes individual security selection while diversifying the Fund’s investments across industries, which may help to reduce risk. ClearBridge attempts to identify established large capitalization companies with the highest growth potential, then analyze each company in detail, ranking its management, strategy and competitive market position. Finally, ClearBridge attempts to identify the best values available among the growth companies identified. ClearBridge may sell a security if it no longer meets the Fund’s investment criteria or for other reasons, including to meet redemptions or to redeploy assets to better investment opportunities.

ClearBridge defines large cap companies as those within the range of the Russell 1000® Index and the strategy may include investments in REITs and ADRs, as well as ordinary shares of non-U.S. companies. ClearBridge may sometimes invest portions of the account in cash equivalents and/or ETFs. The percentage of the Fund’s assets allocated to ClearBridge is targeted at 10%.

#### **Columbia Management Investment Advisers, LLC**

**(“Columbia”)** invests primarily in common stocks of companies believed to have the potential for long-term growth. The portion of the Fund sub-advised by Columbia typically employs a focused portfolio investing style, which results in fewer holdings than a fund that seeks to achieve its investment objective by investing in a greater number of issuers. The portion of the Fund sub-advised by Columbia may invest directly in foreign securities or indirectly through depository receipts. Depository receipts are receipts issued by a bank or trust company reflecting ownership of underlying securities issued by foreign companies. The portion of the Fund sub-advised by Columbia may from time to time emphasize one or more economic sectors in selecting its investments, including the consumer discretionary, health care, and information technology sectors.

Fundamental analysis with risk management, including cross-correlation analysis, is used in identifying investment opportunities and constructing the portfolio of the portion of the Fund sub-advised by Columbia.

In selecting investments, Columbia considers, among other factors: (1) overall economic and market conditions; and (2) the financial condition and management of a company, including its competitive position, the quality of its balance sheet and earnings, its future prospects, and the potential for growth and stock price appreciation.

Columbia may sell a security when the security’s price reaches a target set by Columbia, if Columbia believes that there is deterioration in the issuer’s financial circumstances or fundamental prospects, if other investments are more attractive; or for other reasons. The percentage of the Fund’s assets allocated to Columbia is targeted at 8%.

#### **Delaware Investments Fund Advisers, a member of Macquarie Investment Management Business Trust**

**(“MIM”)** invests primarily in securities of large-capitalization companies that MIM believes have long-term capital appreciation potential. The portfolio currently defines large-capitalization stocks as those with market capitalizations of \$5 billion or greater at the time of purchase. Typically, MIM seeks to select securities that it believes are undervalued in relation to their intrinsic value as indicated by multiple factors, including the earnings and cash-flow potential or the asset value of the respective issuers. MIM also considers a company’s plans for future operations on a selective basis. MIM may sell a security if it no longer believes the security will

contribute to meeting the investment objective of the Fund. The percentage of the Fund's assets allocated to MIM is targeted at 13%.

**Lazard Asset Management LLC ("Lazard")** employs a philosophy based on value creation through its process of bottom-up stock selection for the Fund. Lazard implements a disciplined portfolio construction process. Lazard's fundamental research seeks to identify investments typically featuring a robust organic cash flow, balance sheet strength and operational flexibility. The percentage of the Fund's assets allocated to Lazard is targeted at 9%.

**Lyrical Asset Management LP ("Lyrical")** employs a deep value style with a high quality focus. Lyrical employs a value investing philosophy and believes that a portfolio of companies with low valuations relative to their long-term normalized earnings power will outperform the overall market over time unlike some traditional value investors who are willing to own any business at the right price. Lyrical's philosophy is to invest only in businesses that it believes are of good quality. Lyrical invests only in the common stock of companies within its investable universe, which is the top 1,000 U.S. listed stocks by market capitalization. The percentage of the Fund's assets allocated to Lyrical is targeted at 5%.

## Principal risks

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that stock prices decline overall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession. Market risk may affect a single company, sector of the economy or the market as a whole.
- **Equity Risk**, which is the risk that prices of equity securities rise and fall daily. Price movements may occur due to factors affecting individual companies, such as the issuance of an unfavorable earnings report, or other events affecting particular industries or the equity market as a whole.

- **Exchange-Traded Funds ("ETFs") Risk**, which is the risk of owning shares of an ETF and generally reflects the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio securities. When the Fund invests in an ETF, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses.
- **Investment Style Risk**, which means large cap and/or growth stocks could fall out of favor with investors and trail the performance of other types of investments. Many of the risks of this Fund are associated with its emphasis on large cap and growth stocks. Both types of style tend to go in and out of favor. Additionally, the Fund generally will be more volatile than Large Capitalization Value Equity Investments because of the Fund's focus on growth stocks.
- **Foreign Investment Risk**, which means risk unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
- **Securities Lending Risk**, which includes the potential insolvency of the borrower that could result in delays in recovering securities and capital losses. Additionally, losses could result from the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- **Manager Risk**, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform relevant benchmarks or other investments with similar strategies. This risk is common for all actively managed funds.
- **Multi-Manager Risk**, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund's exposure to a particular stock, industry or technique could be greater or smaller than if the Fund had a single Sub-adviser. Also, the Fund may experience a higher portfolio turnover rate, which is the frequency with which the Fund sells and replaces its securities within a given period. Higher turnover can increase the Fund's transaction costs, thereby lowering its returns. It also may generate more taxable short-term gains for shareholders.
- **Issuer Risk**, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- **Sector Risk**, which is the risk that the value of securities in a particular industry or sector will decline because of changing expectations for the performance of that industry or sector. From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and

may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

## **Small-Mid Cap Equity Fund**

### **Investment objective**

Capital appreciation.

### **Principal investment strategies**

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in the equity securities of small-mid capitalization (or “cap”) companies or in other investments with similar economic characteristics. The Fund defines small-mid cap companies as companies with market caps not exceeding the highest month-end market cap value of any stock in the Russell 2500® or Russell Mid Cap Index for the previous 12 months, whichever is greater. The Fund may invest up to 10% of its assets in the securities of foreign issuers that are not traded on a U.S. exchange or the U.S. over-the-counter market. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

### **How the Sub-advisers select the Fund’s investments**

**Aristotle Capital Boston, LLC (“Aristotle”)** invests a majority its net assets in equity securities of small and mid-capitalization companies. Aristotle considers small and mid-capitalization companies to be those companies that, at the time of initial purchase, typically have a market capitalization equal to or less than that of the largest company in the Russell 2500® Index during the most recent 12-month period. The Russell 2500® Index is reconstituted annually. Because small and mid-capitalization companies are defined by reference to an index, the range of market capitalization of companies in which the strategy invests may vary with market conditions. Investments in companies that move above or below the capitalization range may continue to be held by the strategy. The Aristotle strategy is a diversified, quality-oriented portfolio that is managed with a long-term time horizon. The team uses a fundamental, bottom-up approach to identify businesses the team believes possess quality management teams, favorable industry dynamics and attractive or improving financials, and seeks to invest in companies that are trading at meaningful discounts relative to intrinsic value. Research is generated using both qualitative and quantitative inputs to develop an in-depth understanding of individual businesses. The portfolio consists of 80-120 holdings and limits cash to less than 5.0% of the portfolio. Sectors are limited to +/-10% of the weight in the benchmark. The percentage of the Fund’s assets allocated to Aristotle is targeted at 15%.

**BlackRock Financial Management, Inc. (“BlackRock”)** uses a representative sampling indexing strategy to manage the Fund. “Representative sampling” is an indexing strategy that

involves investing in a representative sample of securities that collectively has an investment profile similar to that of the Russell 2500® Index (the “Underlying Index”). The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of the Underlying Index. The Fund may or may not hold all of the securities in the Underlying Index. BlackRock may invest a portion of the account in ETFs to reflect a growth or value tilt as directed by the Manager. The percentage of the Fund’s assets allocated to BlackRock is targeted at 42%.

**D.F. Dent & Company, Inc. (“DF Dent”)** typically invests in U.S.-listed equity securities, consisting of common stocks, real estate investment trusts (“REITS”), and ETFs. DF Dent invests in equity securities of domestic companies that in its view possess superior long-term growth characteristics and have strong, sustainable earnings prospects and reasonably valued stock prices. DF Dent may invest in companies that do not have particularly strong earnings histories but do have other attributes that in its view may contribute to accelerated growth in the foreseeable future. DF Dent relies on selecting individual stocks and does not try to predict when the stock market may rise or fall. DF Dent uses in-house research and other sources to conduct analyses of prospective Fund investments. In purchasing Fund investments, the DF Dent process begins with an economic analysis of prospective Fund investments across a range of industries. DF Dent then uses fundamental research to identify companies that it believes are well managed, are leaders in an industry niche, are consistent producers and/or exhibit sustainable growth. DF Dent may sell a security in the Fund’s portfolio if, for example, DF Dent believes it has become overvalued or its fundamentals have changed. DF Dent may also change the weighting in a stock if it becomes an excessively large position within the Fund due to appreciation. In addition, DF Dent may strategically invest a significant portion of the Fund’s total assets in cash or cash equivalents if in certain market conditions other appropriate investments for the Fund are not available at prices DF Dent believes are favorable to the Fund. The percentage of the Fund’s assets allocated to DF Dent is targeted at 10%.

**Neuberger Berman Investment Advisers LLC (“Neuberger”)** uses a bottom-up, research driven approach to identify stocks of companies that are available at market prices below Neuberger’s estimate of their intrinsic value and that Neuberger believes has the potential for appreciation in value over time. Neuberger’s estimate of a company’s intrinsic value represents its view of the company’s true, long-term economic value, which may be currently distorted by market inefficiencies. This estimate of intrinsic value represents what Neuberger believes a company could be worth if it is acquired, if its profitability normalizes to its long-term average level, or if its valuation moves in line with valuations of publicly traded peers. Neuberger believes that while markets are often efficient, certain investment opportunities tend to be mispriced



due to market inefficiencies. For example, market inefficiencies may exist at times in the small capitalization segment of the market due to a lack of widely available research on these companies. The portfolio managers attempt to exploit these market inefficiencies and look for opportunities to invest in companies they believe to be undervalued, such as companies with complex corporate structures, cyclical business and growing franchises whose growth has been temporarily interrupted. The percentage of the Fund's assets allocated to Neuberger is targeted at 11%.

**Nuance Investments, LLC ("Nuance")** selects securities for the investment portfolio by using an extensive quantitative screening and fundamental research process that identifies leading businesses selling at a discount to fair value with the potential to generate above-average rates of returns over time. Nuance seeks to identify companies across a range of industries and market sectors that have leading and sustainable market share positions, above-average financial strength, and are trading at a discount to Nuance's internal view of intrinsic value. Nuance may sell an investment when it achieves or surpasses Nuance's proprietary view of intrinsic value or when a security's competitive position or financial situation erodes beyond Nuance's expectations. The percentage of the Fund's assets allocated to Nuance is targeted at 12%.

**Westfield Capital Management Company, L.P. ("Westfield")** uses a fundamental bottom-up research approach, which seeks to identify reasonably priced stocks with high earnings potential. In order to seek the highest returns with the least degree of risk, Westfield generally favors stocks that, in the judgment of the firm, have: (i) sizeable management ownership; (ii) strong financial conditions; (iii) sufficient cash flow to fund growth internally; and (iv) strong pricing power. Westfield also considers factors such as earnings growth forecasts, price target estimates, total return potential, and business developments. Stocks may be sold when Westfield believes that the stocks no longer represent attractive investment opportunities, based on the factors described above. The percentage of the Fund's assets allocated to Westfield is targeted at 10%.

## Principal risks

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that stock prices decline overall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term.

Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession. Market risk may affect a single company, sector of the economy or the market as a whole.

- **Equity Risk**, which is the risk that prices of equity securities rise and fall daily. Price movements may occur due to factors affecting individual companies, such as the issuance of an unfavorable earnings report, or other events affecting particular industries or the equity market as a whole.
- **Exchange-Traded Funds ("ETFs") Risk**, which is the risk of owning shares of an ETF and generally reflects the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio securities. When the Fund invests in an ETF, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses.
- **Investment Style Risk**, which means small cap and/or growth stocks could fall out of favor with investors and trail the performance of other types of investments. Many of the risks of this Fund are associated with its emphasis on small cap and growth stocks. Both types of style tend to go in and out of favor.
- **Small-Mid Cap Risk**, which refers to the fact that historically, small-mid cap stocks have been riskier than large cap stocks. Small-mid cap companies tend to be more vulnerable to adverse business and economic events than larger, more established companies. Small-mid cap companies tend to have more limited product lines, capital resources and/or management depth. Small-mid cap companies tend to be more sensitive to changes in earnings results and forecasts and investor expectations and will experience sharper swings in market values. At times, small-mid cap stocks may be less liquid and harder to sell at prices the Sub-advisers believe are appropriate. Additionally, the Fund generally will be more volatile than large cap funds because of the Fund's focus on small-mid cap stocks. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
- **Foreign Investment Risk**, which means risk unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
- **Securities Lending Risk**, which includes the potential insolvency of the borrower that could result in delays in recovering securities and capital losses. Additionally, losses

could result from the re-investment of collateral received on loaned securities in investments that default or do not perform well.

- **Manager Risk**, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform relevant benchmarks or other investments with similar strategies. This risk is common for all actively managed funds.
- **Multi-Manager Risk**, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund's exposure to a particular stock, industry or technique could be greater or smaller than if the Fund had a single Sub-adviser. Also, the Fund may experience a higher portfolio turnover rate, which is the frequency with which the Fund sells and replaces its securities within a given period. Higher turnover can increase the Fund's transaction costs, thereby lowering its returns. It also may generate more taxable short-term gains for shareholders.
- **Issuer Risk**, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- **Sector Risk**, which is the risk that the value of securities in a particular industry or sector will decline because of changing expectations for the performance of that industry or sector. From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

## International Equity Fund

### Investment objective

Capital appreciation.

### Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in the equity securities of companies located outside the U.S. The Fund focuses on companies located in developed markets, but also may invest a portion of its assets in securities of companies located in emerging markets. The Fund intends to diversify its assets by investing primarily in securities of issuers located in at least three foreign countries. The Fund may attempt to hedge against unfavorable changes in currency exchange rates by engaging in forward currency transactions or currency swaps and trading currency futures contracts and options on these futures. However, a Sub-adviser (as defined below) may choose not to, or may be unable to, hedge the Fund's currency exposure. The Fund may

also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

## How the Sub-advisers select the Fund's investments

**BlackRock Financial Management, Inc. ("BlackRock")** will employ a "passive" management approach, attempting to invest in a portfolio of assets whose performance is expected to match approximately the performance of the MSCI EAFE<sup>®</sup> Index (Net). The Fund will be substantially invested in securities in the MSCI EAFE<sup>®</sup> Index (Net), and will invest, under normal circumstances, at least 80% of its assets in securities or other financial instruments that are components of or have economic characteristics similar to the securities included in the MSCI EAFE<sup>®</sup> Index (Net). The Fund will invest in a statistically selected sample of equity securities included in the MSCI EAFE<sup>®</sup> Index (Net) and in derivative instruments linked to the MSCI EAFE<sup>®</sup> Index (Net). Equity securities include common stock, preferred stock, securities convertible into common stock and securities or other instruments whose price is linked to the value of common stock. The Fund will, under normal circumstances, invest in all of the countries represented in the MSCI EAFE<sup>®</sup> Index (Net). The Fund may not, however, invest in all of the companies within a country represented in the MSCI EAFE<sup>®</sup> Index (Net), or in the same weightings as in the MSCI EAFE<sup>®</sup> Index (Net). The percentage of the Fund's assets allocated to BlackRock is targeted at 25%.

**Causeway Capital Management LLC ("Causeway")** follows a value style, performing fundamental research supplemented by quantitative analysis. Beginning with a universe of companies throughout the non-U.S. developed and emerging markets, Causeway uses quantitative market capitalization and valuation screens to narrow the potential investment candidates to approximately 2,000 securities. To select investments, Causeway then performs fundamental research, which generally includes company specific research, company visits, and interviews of suppliers, customers, competitors, industry analysts, and experts. Causeway also applies a proprietary quantitative risk model to adjust return forecasts based on risk assessments. Using a value style means that Causeway buys stocks that it believes have lower prices than their true worth. For example, stocks may be "undervalued" because the issuing companies are in industries that are currently out of favor with investors. However, even in those industries, certain companies may have high rates of growth of earnings and be financially sound. Causeway considers whether a company has each of the following value characteristics in purchasing or selling securities for the Fund: (i) low price-to-earnings ratio relative to the sector, (ii) high yield relative to the market, (iii) low price-to-book value ratio relative to the market, (iv) low price-to-cash flow ratio relative to the market, and (v) financial strength. Generally, price-to-earnings ratio and yield are the most important factors. The percentage of the Fund's assets allocated to Causeway is targeted at 17%.

**Invesco Advisers, Inc. (“Invesco”)** mainly invests in the common stock of growth companies that are domiciled or have their primary operations outside of the United States. In selecting investments for the Fund’s portfolio, the portfolio managers evaluate investment opportunities on a company-by-company basis. The portfolio managers look primarily for foreign companies with high growth potential using a “bottom up” investment approach, that is, by looking at the investment performance of individual stocks before considering the impact of general or industry-specific economic trends. This approach includes fundamental analysis of a company’s financial statements and management structure and consideration of the company’s operations, product development, and industry position. The portfolio managers currently focus on the following factors, which may vary in particular cases and may change over time: companies that enjoy a strong competitive position and high demand for their products or services; companies with accelerating earnings growth and cash flow; and diversity among companies, industries and countries to help reduce the risks of foreign investing, such as currency fluctuations and stock market volatility. The portfolio managers also consider the effect of worldwide trends on the growth of particular business sectors and look for companies that may benefit from those trends. The trends currently considered include mass affluence, new technologies, restructuring and aging. The portfolio managers do not invest any fixed amount of the Fund’s assets according to these criteria and the trends that are considered may change over time. The portfolio managers monitor individual issuers for changes in the factors above, which may trigger a decision to sell a security, but does not require a decision to do so. The percentage of the Fund’s assets allocated to Invesco is targeted at 17%.

**Schroder Investment Management North America Inc. (“Schroders”)** Schroders seeks to invest in securities of international companies where they have identified a significant growth gap, which is defined as forward earnings growth that is not yet recognized by the market. Schroders leverages the extensive knowledge of, and recommendations generated by, approximately 100 regional analysts located across the globe. The strongest ideas of these local analysts are then overlaid with the global perspective of an international team of global sector specialists. In Schroders’ view, this combination of local expertise and global analysis provides an optimal framework for identifying strong investment candidates and building high-quality efficient portfolios across multiple regions and sectors. The percentage of the Fund’s assets allocated to Schroders is targeted at 16%. **Victory Capital Management Inc. (“Victory Capital”)** pursues the Fund’s investment objective by investing primarily in equity securities of companies principally in countries represented in the S&P® Developed ex-U.S. SmallCap Index (“Index”). Under normal circumstances, at least 80% of the Fund’s assets will be invested in securities of small-capitalization companies. The Adviser considers any company with a market capitalization at the time of purchase that is within such country’s smallest 15%

based on market capitalization to be a small-capitalization company. The size of companies in the Index changes with market conditions and the composition of the Index. The Adviser employs a bottom-up investment approach that emphasizes individual stock selection. The Adviser’s investment process uses a combination of quantitative and traditional qualitative, fundamental analysis to identify attractive stocks with low relative price multiples and positive trends in earnings forecasts high profitability and companies with a strong or positively trending environmental, social, and governance (“ESG”) profile. The stock selection process is designed to produce a diversified portfolio that, relative to the Index, tends to have a below-average price-to-earnings ratio and an above-average earnings growth trend and above average return on invested capital. The Fund’s investment allocation to countries and sectors tends to approximate the country and sector allocations of the Index, which concentrates its exposure in one or more countries, regions or sectors. The Index consists of the stocks representing the lowest 15% of float-adjusted market capitalization in each country other than the U.S. represented in the S&P® Developed Broad Market Index (BMI). The S&P® Developed BMI includes all listed shares of companies from 24 developed countries with float-adjusted market capitalizations of at least US\$100 million and annual trading value of at least US\$50 million. The Fund normally invests in a minimum of ten countries.

The Adviser regularly reviews the Fund’s investments and will sell a security if the Adviser believes there has been a deterioration in the rank of the security in accordance with the Adviser’s process, the security’s valuation has become unattractive relative to other stocks in the universe or other available investments are considered to be more attractive.

**Wellington Management Company, LLP (“Wellington”)** invests primarily in a diversified portfolio of equity securities of non-U.S. companies that Wellington believes to be undervalued. Wellington uses a “contrarian value” approach to selecting securities, applying fundamental analysis to identify securities that it believes are undervalued by the market. The market capitalizations of the portfolio holdings are generally those in the range of companies represented in the Morgan Stanley Capital International (“MSCI”) Europe, Australasia and Far East (“EAFE®”) Index (Net). The strategy may also invest in mid-capitalization companies. Equity securities in which the strategy principally invests are common stocks. The strategy may invest in American Depositary Receipts (“ADRs”) and Global Depositary Receipts (“GDRs”).

The strategy may invest a high percentage of its assets in securities of issuers in a single country, a small number of countries, or a particular geographic region. However, under normal market conditions, the strategy generally expects to invest in a number of different non-U.S. countries. The strategy may invest up to 20% of its assets in issuers that conduct their principal business activities in emerging markets or whose securities are traded principally on exchanges in emerging markets. Wellington may use currency forwards to gain or



increase exposure to various currency markets, including for the purpose of managing the strategy's currency exposures relative to its benchmark's currency exposures. Sector allocations are determined based on the Wellington's assessment of investment opportunities and/or market conditions. Wellington may sell a holding when it appreciates to a stated target, when there has been a change in the long-term investment outlook, or when other opportunities appear more attractive. The percentage of the Fund's assets allocated to Wellington is targeted at 15%.

## Principal risks

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that stock prices decline overall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession. Market risk may affect a single company, sector of the economy or the market as a whole.
- **Equity Risk**, which is the risk that prices of equity securities rise and fall daily. Price movements may occur due to factors affecting individual companies, such as the issuance of an unfavorable earnings report, or other events affecting particular industries or the equity market as a whole.
- **Foreign Investment Risk**, which means risks unique to investing in foreign issuers. These include:
  - Less information about foreign issuers or markets may be available because of less rigorous accounting standards or regulatory practices.
  - Many foreign markets are smaller, less liquid and more volatile than U.S. markets. In a changing market, the Sub-advisers may not be able to sell securities held by the Fund in amounts and at prices they consider reasonable. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
  - Economic, political or social instability in foreign countries may significantly disrupt the principal financial markets in which the Fund invests.
  - Foreign governments may expropriate assets, impose capital or currency controls, impose punitive taxes, or nationalize a company, which could have a severe effect on the Fund's ability to bring its capital or income back to the U.S. or on security prices.
- **Withholding and other foreign taxes** may decrease the Fund's return.
- **Currency Risk**, which refers to the risk that as a result of the Fund's investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged. In either event, the value of your investment in the Fund would be adversely affected.
- **Forwards, Futures, Options and Swaps Risk**, which means that the Fund's use of forwards, futures, options and swaps to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Forwards, futures, options and swaps will obligate or entitle the Fund to deliver or receive an asset or a cash payment based on the change in value of one or more designated securities, currencies or indices. Even a small investment in forwards, futures, options or swaps can have a large impact on the Fund's interest rate, securities market and currency exposure. Therefore, using forwards, futures, options or swaps can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in forwards, futures, options or swaps if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain forward, futures or swap contracts presents the same types of credit risks as issuers of fixed income securities. Investing in forwards, futures, options or swaps can also make the Fund's assets less liquid and harder to value, especially in declining markets. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
- **Emerging Markets Risk**, which refers to the fact that the market value for emerging market equity securities historically has been very volatile and an investment in the Fund involves a substantial degree of risk. In addition to foreign investment and currency risks, which tend to be amplified in emerging markets, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. The economies of emerging market countries may grow at slower rates than expected or suffer a downturn or recession. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. The Fund also could experience a loss from settlement and custody practices in some emerging markets.
- **Small and Mid Cap Risk**, which refers to the fact that historically, small and mid cap stocks have been riskier than large cap stocks. Small and mid cap companies tend to be more vulnerable to adverse business and economic events

than larger, more established companies. Small and mid cap companies tend to have more limited product lines, capital resources and/or management depth. Small and mid cap companies tend to be more sensitive to changes in earnings results and forecasts and investor expectations and will experience sharper swings in market values. At times, small and mid cap stocks may be less liquid and harder to sell at prices the Sub-advisers believe are appropriate. Additionally, the Fund generally will be more volatile than large cap funds because of the Fund's focus on small and mid cap stocks. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.

- *Securities Lending Risk*, which includes the potential insolvency of the borrower that could result in delays in recovering securities and capital losses. Additionally, losses could result from the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Manager Risk*, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform relevant benchmarks or other investments with similar strategies. This risk is common for all actively managed funds.
- *Multi-Manager Risk*, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund's exposure to a particular stock, industry or technique could be greater or smaller than if the Fund had a single Sub-adviser. Also, the Fund may experience a higher portfolio turnover rate, which is the frequency with which the Fund sells and replaces its securities within a given period. Higher turnover can increase the Fund's transaction costs, thereby lowering its returns. It also may generate more taxable short-term gains for shareholders.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate may no longer be calculated after 2021. The terms of many investments, financings or other transactions to which a Fund may be a party have been historically tied to the London Interbank Offered Rate, or "LIBOR," which may be a significant factor in determining the Fund's payment obligations under a derivative investment, the cost of financing to the Fund or an investment's value or return to the Fund. After 2021, LIBOR may cease to be published. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments.
- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *Sector Risk*, which is the risk that the value of securities in a particular industry or sector will decline because of changing expectations for the performance of that industry or sector.

From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

## Emerging Markets Equity Fund

### Investment objective

Long-term capital appreciation.

### Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in equity securities of issuers organized, domiciled or with substantial operations in emerging markets countries, which are defined as countries included in an emerging markets index by a recognized index provider, such as the MSCI Emerging Markets Index (Net), or characterized as developing or emerging by any of the World Bank, the United Nations, the International Finance Corporation, or the European Bank for Reconstruction and Development. Certain emerging market countries may also be classified as "frontier" market countries, which are a subset of emerging countries with even smaller national economies. To diversify its investments, the Fund invests primarily in securities of issuers located in at least three foreign countries. The Fund also may invest a portion of its assets in closed-end investment companies that invest in emerging markets. The Fund may attempt to hedge against unfavorable changes in currency exchange rates by engaging in forward currency transactions and trading currency futures contracts and options on these futures; however, a Sub-adviser (as defined below) may choose not to, or may be unable to, hedge the Fund's currency exposure. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

### How the Sub-advisers select the Fund's investments

**BlackRock Financial Management, Inc. ("BlackRock")** will employ a "passive" management approach, attempting to invest in a portfolio of assets whose performance is expected to match approximately the performance of the MSCI Emerging Markets Index (Net). The Fund will be substantially invested in securities in the MSCI Emerging Markets Index (Net), and will invest, under normal circumstances, at least 80% of its assets in securities or other financial instruments that are components of or have economic characteristics similar to the securities included in the MSCI Emerging Markets Index (Net). The Fund will invest in a statistically selected sample of equity securities included in the MSCI Emerging Markets Index (Net) and in derivative instruments

linked to the MSCI Emerging Markets Index (Net). Equity securities include common stock, preferred stock, securities convertible into common stock and securities or other instruments whose price is linked to the value of common stock. The Fund will, under normal circumstances, invest in all of the countries represented in the MSCI Emerging Markets Index (Net). The Fund may not, however, invest in all of the companies within a country represented in the MSCI Emerging Markets Index (Net), or in the same weightings as in the MSCI Emerging Markets Index (Net). The percentage of the Fund's assets allocated to BlackRock is targeted at 25%.

**Lazard Asset Management LLC ("Lazard")** manages a relative value strategy ("Strategy") and invests primarily in equity securities, principally common stocks, of non-U.S. companies whose principal business activities are located in emerging or developing market countries. The Strategy is based on value creation through a process of bottom-up stock selection. The Strategy consists of an analytical framework, accounting validation, fundamental analysis and portfolio construction parameters. In the Strategy, assets are invested in companies that are believed to be undervalued based on their earnings, cash flow or asset values. The percentage of the Fund's assets allocated to Lazard is targeted at 37.5%.

**Van Eck Associates Corporation ("VanEck")** seeks long-term capital appreciation by investing primarily in securities of companies that are organized in, maintain at least 50% of their assets in, or derive at least 50% of their revenues from, emerging market countries. VanEck has broad discretion to identify countries that it considers to qualify as emerging markets. VanEck selects emerging market countries that the Fund will invest in based on VanEck's evaluation of economic fundamentals, legal structure, political developments and other specific factors VanEck believes to be relevant. Utilizing qualitative and quantitative measures, the Fund's portfolio manager seeks to invest in reasonably-priced companies that have strong structural growth potential. The portfolio manager seeks attractive investment opportunities in all areas of emerging markets and utilizes a flexible investment approach across all market capitalizations. The Fund's holdings may include issues denominated in currencies of emerging market countries, investment companies (like country funds) that invest in emerging market countries, and American Depositary Receipts, and similar types of investments, representing emerging market securities. The percentage of the Fund's assets allocated to VanEck is targeted at 37.5%.

## Principal risks

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that stock prices decline overall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or

economic developments in the U.S. and in other countries. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession. Market risk may affect a single company, sector of the economy or the market as a whole.

- **Equity Risk**, which is the risk that prices of equity securities rise and fall daily. Price movements may occur due to factors affecting individual companies, such as the issuance of an unfavorable earnings report, or other events affecting particular industries or the equity market as a whole.
- **Foreign Investment Risk**, which means risks unique to investing in foreign issuers. These include:
  - Less information about foreign issuers or markets may be available because of less rigorous accounting standards or regulatory practices.
  - Many foreign markets are smaller, less liquid and more volatile than U.S. markets. In a changing market, the Sub-advisers may not be able to sell securities held by the Fund in amounts and at prices they consider reasonable. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
  - Economic, political or social instability in foreign countries may significantly disrupt the principal financial markets in which the Fund invests.
  - Foreign governments may expropriate assets, impose capital or currency controls, impose punitive taxes, or nationalize a company, which could have a severe effect on the Fund's ability to bring its capital or income back to the U.S. or on security prices.
  - Withholding and other foreign taxes may decrease the Fund's return.
- **Emerging Markets and Frontier Markets Risk**, emerging markets countries, which are generally defined as countries that may be represented in a market index such as the MSCI Emerging Markets Index (Net) or having per capita income in the low to middle ranges, as determined by the World Bank. Certain emerging market countries may also be classified as "frontier" market countries, which are a subset of emerging countries with even smaller national economies. In addition to foreign investment and currency risks, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. The Fund also could experience

a loss from settlement and custody practices in some emerging markets. These risks tend to be even more prevalent in frontier market countries. The economies of frontier market countries tend to be less correlated to global economic cycles than the economies of more developed countries and their markets have lower trading volumes and may exhibit greater price volatility and illiquidity. A small number of large investments in these markets may affect these markets more than more developed markets. Frontier market countries may also be more affected by government activities than more developed countries. For example, the governments of frontier market countries may exercise substantial influence within the private sector or subject investments to government approval, and governments of other countries may impose or negotiate trade barriers, exchange controls, adjustments to relative currency values and other measures that adversely affect a frontier market country. Governments of other countries may also impose sanctions or embargoes on frontier market countries. Although all of these risks are generally heightened with respect to frontier market countries, they also apply to emerging market countries.

- *Currency Risk*, which refers to the risk that as a result of the Fund's investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged. In either event, the value of your investment in the Fund would be adversely affected.
- *Forwards, Futures and Options Risk*, which means that the Fund's use of forwards, futures and options to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Futures or options will obligate or entitle the Fund to deliver or receive an asset or a cash payment based on the change in value of one or more designated currencies or indices. Even a small investment in forwards, futures or options can have a large impact on the Fund's interest rate, securities market and currency exposure. Therefore, using forwards, futures and options can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in forwards, futures or options if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain forwards, futures or options presents the same types of credit risks as issuers of fixed income securities. Investing in forwards, futures and options can also make the Fund's assets less liquid and harder to value, especially in declining markets. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
- *Closed-End Investment Company Risk*, which means that since closed-end investment companies issue a fixed number of shares they typically trade on a stock exchange or

over-the-counter at a premium or discount to their net asset value per share. The Fund will also bear its pro rata portion of any costs of a closed-end fund in which it invests.

- *Securities Lending Risk*, which includes the potential insolvency of the borrower that could result in delays in recovering securities and capital losses. Additionally, losses could result from the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Strategy Risk*, the Fund invests a portion of its assets in stocks believed by a Sub-adviser to be undervalued, but that may not realize their perceived value for extended periods of time or may never realize their perceived value. The Fund also invests a portion of its assets in stocks believed by a Sub-adviser to have the potential for growth, but that may not realize such perceived growth potential for extended periods of time or may never realize such perceived growth potential. Such stocks may be more volatile than other stocks because they can be more sensitive to investor perceptions of the issuing company's growth potential. The stocks in which the Fund invests may respond differently to market and other developments than other types of stocks.
- *Manager Risk*, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform relevant benchmarks or other investments with similar strategies. This risk is common for all actively managed funds.
- *Multi-Manager Risk*, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund's exposure to a particular stock, industry or technique could be greater or smaller than if the Fund had a single Sub-adviser. Also, the Fund may experience a higher portfolio turnover rate, which is the frequency with which the Fund sells and replaces its securities within a given period. Higher turnover can increase the Fund's transaction costs, thereby lowering its returns. It also may generate more taxable short-term gains for shareholders.
- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate may no longer be calculated after 2021. The terms of many investments, financings or other transactions to which a Fund may be a party have been historically tied to the London Interbank Offered Rate, or "LIBOR," which may be a significant factor in determining the Fund's payment obligations under a derivative investment, the cost of financing to the Fund or an investment's value or return to the Fund. After 2021, LIBOR may cease to be published. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR. It could



also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments.

- **Sector Risk**, which is the risk that the value of securities in a particular industry or sector will decline because of changing expectations for the performance of that industry or sector. From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

## Core Fixed Income Fund

### Investment objective

Maximum total return, consistent with preservation of capital and prudent investment management.

### Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income instruments. Fixed income instruments include securities issued or guaranteed by the U.S. Government, its agencies or government-sponsored enterprises (note that securities issued by U.S. Government agencies or government-sponsored enterprises may not be guaranteed by the U.S. Treasury); corporate debt securities of U.S. and non-U.S. issuers, including convertible securities and corporate commercial paper; mortgage-backed and other asset-backed securities; inflation-indexed bonds issued both by governments and corporations; structured notes, including hybrid or “indexed” securities and event-linked bonds; loan participations and assignments; delayed funding loans and revolving credit facilities; bank certificates of deposit, fixed time deposits and bankers’ acceptances; repurchase agreements on fixed income instruments and reverse repurchase agreements on fixed income instruments; debt securities issued by states or local governments and their agencies, authorities and other government-sponsored enterprises; obligations of non-U.S. governments or their subdivisions, agencies and government-sponsored enterprises; and obligations of international agencies or supranational entities.

The Fund may also invest in derivatives based on fixed income instruments, including futures, forwards, options, swaps, and swaptions, and may use other investment techniques such as mortgage dollar rolls, buy-backs and securities lending to earn additional income. The Fund also may engage in short sales. The Fund may also invest in Exchange-Traded Funds (“ETFs”) to gain exposure to a particular portion of the market while allocating assets among Sub-advisers (as defined below), transitioning the Fund’s portfolio or awaiting an opportunity to purchase securities directly.

Investments may be structured to provide all types of interest rate payments, including fixed, variable, floating, inverse, zero or interest-only rates of interest. The Fund may invest up to 30% of its total assets in securities denominated in foreign currencies and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. The Fund may invest in currency spot and forward transactions for the purpose of active currency exposure. Foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) normally will be limited to 20% of the Fund’s total assets. The Fund may invest up to 15% in emerging market securities. The Fund may also invest up to 10% of its total assets in preferred stocks, convertible securities and other equity-related securities. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help fund performance.

**Credit quality.** The Fund invests primarily in investment grade debt securities, but may invest up to 10% of its total assets in non-investment grade securities (sometimes called “high yield securities” or “junk bonds”) rated CCC- or higher by Moody’s, or equivalently rated by S&P or Fitch, or, if unrated, determined by the Sub-advisers to be of comparable quality.

**Duration.** The Fund’s average portfolio duration, as calculated by the Sub-advisers, normally ranges within two years (plus or minus) of the duration of the benchmark index. Duration is an approximate measure of the sensitivity of the market value of the Fund’s holdings to changes in interest rates. Maturity means the date on which the principal amount of a debt security is due and payable. Individual investments may be of any maturity.

### How the Sub-advisers select the Fund’s investments

**BlackRock Financial Management, Inc. (“BlackRock”)** employs a relative value approach, which identifies Fund duration within a desired narrow range and adds value through sector and sub-sector rotation within the corporate and mortgage sectors. BlackRock evaluates securities within a risk management framework, which consists of determining interest rate risk, yield curve risk, cash flow risk, credit risk and liquidity risk of securities. The percentage of the Fund’s assets allocated to BlackRock is targeted at 33%.

**Metropolitan West Asset Management LLC (“MetWest”)** utilizes five value-added principal strategies in selecting investments: (1) duration management, (2) yield curve positioning, (3) sector allocation, (4) security selection, and (5) opportunistic execution. The first three strategies are top-down in orientation and start with a decision of where duration should be established (within a plus-or-minus one-year range from the benchmark). The bottom-up strategies of security selection and execution involve the day-to-day evaluation of the fixed income market to identify value opportunities across sectors and informed negotiation of prices at which transactions take place. The percentage of the Fund’s assets allocated to MetWest is targeted at 33%.

**Western Asset Management Company (“Western”)** focuses on investment grade, long-term debt securities, and emphasizes four key strategies to enhance total return: adjusting the allocation of the Fund among the key sectors of the fixed income market—government, corporate and mortgage- and asset-backed—depending on Western’s forecast of relative values; purchasing undervalued securities in each of the key sectors, while keeping overall quality high; tracking the duration of the overall Fund so that it falls within a narrow band relative to the benchmark index, with adjustments made to reflect Western’s long-term outlook for interest rates; and positioning the term structure of the Fund to take advantage of market developments. The percentage of the Fund’s assets allocated to Western is targeted at 34%.

## Principal risks

Loss of money is a risk of investing in the Fund.

The Fund’s principal risks include:

- **Market Risk**, which is the risk that the Fund will be affected by broad changes in the fixed income markets. The prices of the Fund’s fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund’s fixed income securities will decrease in value if interest rates rise and vice versa. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In response to these events, the Fund’s value may fluctuate and/or the Fund may experience increased redemptions from shareholders, which may impact the Fund’s liquidity or force the Fund to sell securities into a declining or illiquid market. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession.
- **Interest Rate Risk**, which is the risk that interest rates rise and fall over time. As the yields of the underlying investments change over time, the Fund’s yield will change. When interest rates are low, the Fund’s yield and total return also may be low. When interest rates rise, bond prices generally fall, which might cause the Fund’s share price to

fall. The longer the Fund’s maturity or duration, the more sensitive its share price will be to interest rate movements. Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates increase. Inverse floating rate securities may also exhibit greater price volatility than a fixed rate obligation with similar credit quality. When the Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund’s shares.

- **Credit and Junk Bond Risk**, which means the credit quality of an investment could cause the Fund to lose money. Although the Fund invests primarily in investment grade securities, the Fund could lose money if the issuer or guarantor of a portfolio security or a counterparty to a derivative contract fails to make timely payment or otherwise honor its obligations. Non-investment grade securities (sometimes called “high yield securities” or “junk bonds”) involve greater risks of default or downgrade and are more volatile than investment grade securities due to actual or perceived changes in an issuer’s creditworthiness. Additionally, issuers of non-investment grade securities may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity. Discontinuation of these payments could substantially adversely affect the market value of the securities.
- **Prepayment and Extension Risks**, which means a debt obligation may be paid off earlier or later than expected. Either situation could cause the Fund to hold securities paying lower-than-market rates of interest, which could hurt the Fund’s yield or share price. Additionally, rising interest rates tend to extend the duration of certain fixed income securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the Fund may exhibit additional volatility. This is known as extension risk. When interest rates decline, borrowers may pay off their fixed income securities sooner than expected. This can reduce the returns of the Fund because the Fund will have to reinvest that money at the lower prevailing interest rates. This is known as prepayment risk.
- **U.S. Government Securities Risk**, it means that U.S. Government securities are obligations of, or guaranteed by, the U.S. Government, its agencies or government-sponsored entities. U.S. Government securities include issues by non-governmental entities (such as financial institutions) that carry direct guarantees from U.S. Government agencies as part of government initiatives in response to a market crisis or otherwise. Although the U.S. Government guarantees principal and interest payments on securities issued by the



U.S. Government and some of its agencies, such as securities issued by the Government National Mortgage Association, this guarantee does not apply to losses resulting from declines in the market value of these securities. U.S. Government securities include zero coupon securities that make payments of interest and principal only upon maturity, which tend to be subject to greater volatility than interest bearing securities with comparable maturities. Some of the U.S. Government securities that the Fund may hold are not guaranteed or backed by the full faith and credit of the U.S. Government, such as those issued by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The maximum potential liability of the issuers of some U.S. Government securities may greatly exceed their current resources, including any legal right to support from the U.S. Government. Although U.S. Government securities are considered to be among the safest investments, they are still subject to the credit risk of the U.S. Government and are not guaranteed against price movements due to changing interest rates.

- *Convertible Securities and Preferred Stocks Risk*, convertible securities are bonds, debentures, notes, preferred stock or other securities that may be converted into or exercised for a prescribed amount of common stock at a specified time and price. Convertible securities provide an opportunity for equity participation, with the potential for a higher dividend or interest yield and lower price volatility compared to common stock. Convertible securities typically pay a lower interest rate than nonconvertible bonds of the same quality and maturity because of the conversion feature. The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline, and the credit standing of the issuer. The price of a convertible security will also normally vary in some proportion to changes in the price of the underlying common stock because of the conversion or exercise feature. Convertible securities may also be rated below investment grade (junk bonds) or not rated and are subject to credit risk and prepayment risk.
- *Mortgage-Backed Securities Risk*, exists when the Fund invests in mortgage-backed securities which represent an interest in a pool of mortgages. Mortgage-backed securities are subject to prepayment and extension risk, but the negative effect of a rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of a portfolio. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations.
- *Asset-Backed Securities Risk*, exists when the Fund invests in asset-backed securities which are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real

and personal property, and receivables from credit card agreements. Asset-backed securities are subject to many of the same risks as mortgage-backed securities including prepayment and extension risk. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited.

- *Portfolio Turnover Risk*, which is the risk that due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.
- *Liquidity Risk* exists when securities are difficult or impossible for the Fund to sell at the time and the price that the Fund would like due to a limited market or to legal restrictions. This may result in a loss or may otherwise be costly to the Fund. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. These securities may also need to be fair valued.
- *Derivatives Risk*, which means that the Fund's use of futures, forwards, options, swaps and swaptions based on fixed income instruments to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Futures, forwards, options, swaps and swaptions will obligate or entitle the Fund to deliver or receive an asset or a cash payment based on the change in value of one or more designated securities, currencies or indices. Even a small investment in futures, forwards, options, swaps and swaptions can have a large impact on the Fund's interest rate, securities market and currency exposure. Therefore, using futures, forwards, options, swaps and swaptions can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in futures, forwards, options, swaps and swaptions if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain futures, forwards, options, swaps and swaptions presents the same types of credit risks as issuers of fixed income securities. Investing in futures, forwards, options, swaps and swaptions can also make the Fund's assets less liquid and harder to value, especially in declining markets. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
- *Leverage Risk*, which means the Fund creates an opportunity for increased net income but, at the same time, creates special risks. For example, leveraging may exaggerate changes in and increase the volatility of the net asset value of Fund shares. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities. The use of leverage also may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to maintain asset coverage.

- *Foreign Investment Risk*, which means risks unique to investing in foreign issuers. These include:
  - Less information about foreign issuers or markets may be available because of less rigorous accounting standards or regulatory practices.
  - Many foreign markets are smaller, less liquid and more volatile than U.S. markets. In a changing market, the Sub-advisers may not be able to sell securities held by the Fund in amounts and at prices they consider reasonable.
  - Economic, political or social instability in foreign countries may significantly disrupt the principal financial markets in which the Fund invests.
  - Foreign governments may expropriate assets, impose capital or currency controls, impose punitive taxes, or nationalize a company, which could have a severe effect on the Fund's ability to bring its capital or income back to the U.S. or on security prices.
  - Withholding and other foreign taxes may decrease the Fund's return.
- *Emerging Markets Risk*, which refers to the fact that the market value for emerging market equity securities historically has been very volatile and an investment in the Fund involves a substantial degree of risk. In addition to foreign investment and currency risks, which tend to be amplified in emerging markets, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. The economies of emerging market countries may grow at slower rates than expected or suffer a downturn or recession. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. The Fund also could experience a loss from settlement and custody practices in some emerging markets.
- *Currency Risk*, which refers to the risk that as a result of the Fund's active positions in currencies and investments in securities denominated in, and/or receiving revenues in foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, that the U.S. dollar will decline in value relative to the currency hedged. In either event, the value of your investment in the Fund would be adversely affected.
- *Short Sale Risk*, selling short may produce higher than normal portfolio turnover and result in increased transaction costs to the Fund. In addition, selling short magnifies the potential for both gain and loss to the Fund. The larger the Fund's short position, the greater the potential for gain and loss. If a security sold short increases in price, the Fund may have to cover its short position at a higher price than the short sale price, resulting in a loss. To borrow the security, the Fund also may be required to pay a premium, which could increase the cost of the security sold short. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses the Fund may be required to pay in connection with the short sale. In addition, because the Fund's loss on a short sale arises from increases in the value of the security sold short, such loss is theoretically unlimited. By contrast, the Fund's loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot drop below zero.
- *Securities Lending Risk*, which includes the potential insolvency of the borrower that could result in delays in recovering securities and capital losses. Additionally, losses could result from the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Delayed Funding Loans and Revolving Credit Facilities Risk*, the Fund's investments in delayed funding loans and revolving credit facilities may have the effect of requiring a Fund to increase its investment in a company at a time when it might not otherwise decide to do so (including at a time when such company's financial condition makes it unlikely that such additional funding commitments will be repaid). Delayed funding loans and revolving credit facilities are subject to credit, interest rate and liquidity risk and the risks of being a lender.
- *Event-Linked Exposure Risk*, event-linked exposure results in gains or losses that typically are contingent, or formulaically related to defined trigger events. Examples of trigger events include hurricanes, earthquakes, weather-related phenomena, or statistics relating to such events. Some event-linked bonds are commonly referred to as "catastrophe bonds." If a trigger event occurs, a Fund may lose a portion of or the entire principal investment in the case of a bond or a portion of or the entire notional amount in the case of a swap. Event-linked exposure instruments often provide for an extension of maturity to process and audit loss claims where a trigger event has, or possibly has, occurred. An extension of maturity may increase volatility. Event-linked exposure may also expose a Fund to certain unanticipated risks including credit risk, counterparty risk, adverse regulatory or jurisdictional interpretations, and adverse tax consequences. Event-linked exposures may also be subject to liquidity risk.
- *Repurchase Agreements and Reverse Repurchase Agreements Risk*, is the risk that in the event of the insolvency of the counterparty to a repurchase agreement or reverse repurchase agreement, recovery of the repurchase price owed to the Fund or, in the case of a reverse repurchase agreement, the securities sold by the Fund, may be delayed. Because reverse repurchase agreements may be considered to be the practical equivalent of borrowing funds, they constitute a form of leverage. If the Fund reinvests the proceeds of a reverse repurchase agreement at a rate lower than the cost of the agreement, entering into the agreement will lower the Fund's yield.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate may no longer be calculated after 2021. The terms of many investments, financings or other transactions to which a Fund may be a party have been

historically tied to the London Interbank Offered Rate, or “LIBOR,” which may be a significant factor in determining the Fund’s payment obligations under a derivative investment, the cost of financing to the Fund or an investment’s value or return to the Fund. After 2021, LIBOR may cease to be published. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments.

- **Manager Risk**, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform relevant benchmarks or other investments with similar strategies. This risk is common for all actively managed funds.
- **Multi-Manager Risk**, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund’s exposure to a particular stock, industry or technique could be greater or smaller than if the Fund had a single Sub-adviser. Also, the Fund may experience a higher portfolio turnover rate, which is the frequency with which the Fund sells and replaces its securities within a given period. Higher turnover can increase the Fund’s transaction costs, thereby lowering its returns. It also may generate more taxable short-term gains for shareholders.
- **Issuer Risk**, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods or services.
- **Exchange-Traded Funds (“ETFs”) Risk**, which is the risk of owning shares of an ETF and generally reflects the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio securities. When the Fund invests in an ETF, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETF’s expenses.

## High Yield Fund

### Investment objective

A high level of current income primarily through investment in below-investment grade debt securities.

### Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in U.S. dollar-denominated high yield fixed income securities of corporate issuers rated below investment grade by two or more nationally recognized statistical rating organizations (commonly called “junk bonds”), or, if unrated, of equivalent quality as determined by the Sub-advisers. These securities include all types of debt

obligations, such as corporate bonds and notes, collateralized mortgage obligations and variable and floating rate securities. The Fund may invest up to 20% of its assets in securities not denominated in U.S. dollars, including securities of issuers located in emerging market foreign countries. The Fund also may invest up to 20% of its assets in equity and equity-related securities, including common stock, convertible securities, preferred stock, warrants and rights. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

**Credit quality.** The Fund invests primarily in high yield securities or junk bonds.

**Duration.** The Fund’s average portfolio duration, as calculated by the Sub-advisers (as defined below), ranges from two to six years. Duration is an approximate measure of the sensitivity of the market value of the Fund’s holdings to changes in interest rates. Maturity means the date on which the principal amount of a debt security is due and payable. Individual securities may be of any maturity.

## How the Sub-advisers select the Fund’s investments

**Eaton Vance Management (“Eaton Vance”)** Eaton Vance Management monitors the credit quality of securities held by the Fund and other securities available to the Fund. Although Eaton Vance considers security ratings when making investment decisions, it performs its own credit and investment analysis utilizing various methodologies including “bottom up/top down” analysis and consideration of macroeconomic and technical factors and does not rely primarily on the ratings assigned by the rating services. Eaton Vance attempts to improve yield and preserve and enhance principal value through timely trading. Eaton Vance also considers the relative value of securities in the marketplace in making investment decisions. The percentage of the Fund’s assets allocated to Eaton Vance is targeted at 50%.

**Western Asset Management Company (“Western”)** seeks to minimize risk and maximize return through diversification among industry, quality and security sectors. In deciding among the securities in which the fund may invest, Western takes into account the credit quality, country of issue, interest rate, liquidity, maturity and yield of a security as well as other factors, including the fund’s effective duration and prevailing and anticipated market conditions. Effective duration seeks to measure the expected sensitivity of market price to changes in interest rates, taking into account the anticipated effects of structural complexities (for example, some bonds can be prepaid by the issuer.) Western uses a team-based approach that uses “bottom-up” research, meaning that Western focuses on analysis of individual investments, without over-emphasizing broad economic or market cycles. Using this approach, Western seeks to identify attractive industries and analyze individual companies and issuers for appropriate credit parameters and total rate of return potential. Western’s goal is

to invest in companies with superior management teams and with strong track records, that have defensible market positions, strong cash flow generation and growth prospects, and underlying asset values under several different scenarios. The percentage of the Fund's assets allocated to Western is targeted at 50%.

## Principal risks

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that the Fund will be affected by broad changes in the fixed income markets. The prices of the Fund's fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund's fixed income securities will decrease in value if interest rates rise and vice versa. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In response to these events, the Fund's value may fluctuate and/or the Fund may experience increased redemptions from shareholders, which may impact the Fund's liquidity or force the Fund to sell securities into a declining or illiquid market. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession.
- **Derivatives Risk**, which means that the Fund's use of futures, forwards, options, swaps and swaptions based on fixed income instruments to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Futures, forwards, options, swaps and swaptions will obligate or entitle the Fund to deliver or receive an asset or a cash payment based on the change in value of one or more designated securities, currencies or indices. Even a small investment in futures, forwards, options, swaps and swaptions can have a large impact on the Fund's interest rate, securities market and currency exposure. Therefore, using futures, forwards, options, swaps and swaptions can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in futures, forwards, options, swaps and swaptions if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain futures, forwards, options, swaps and swaptions presents the same types of credit risks as issuers of fixed income securities. Investing in futures, forwards, options, swaps and swaptions can also make the Fund's assets less liquid and harder to value, especially in declining markets. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
- **Equity Risk**, which is the risk that prices of equity securities rise and fall daily. Price movements may occur due to factors affecting individual companies, such as the issuance of an unfavorable earnings report, or other events affecting particular industries or the equity market as a whole.
- **Interest Rate Risk**, which is the risk that interest rates rise and fall over time. As the yields of the underlying investments change over time, the Fund's yield will change. When interest rates are low, the Fund's yield and total return also may be low. When interest rates rise, bond prices generally fall, which might cause the Fund's share price to fall. The longer the Fund's maturity or duration, the more sensitive its share price will be to interest rate movements. Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates increase. Inverse floating rate securities may also exhibit greater price volatility than a fixed rate obligation with similar credit quality. When the Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund's shares.
- **Credit and Junk Bond Risk**, which means the credit quality of an investment could cause the Fund to lose money. Investment in high yield securities or junk bonds involves substantial risk of loss. The Fund could lose money if the issuer or guarantor of a Fund security or a counterparty to a derivative contract fails to make timely payment or otherwise honor its obligations. Junk bonds involve greater risks of default or downgrade and are more volatile than investment grade securities. Junk bonds involve greater risk of price declines than investment-grade securities due to actual or perceived changes in an issuer's creditworthiness. Additionally, issuers of junk bonds may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity. Discontinuation of these payments could substantially adversely affect the market value of the securities.



- *Prepayment and Extension Risks*, which means a debt obligation may be paid off earlier or later than expected. Either situation could cause the Fund to hold securities paying lower than market rates of interest, which could hurt the Fund's yield or share price. Additionally, rising interest rates tend to extend the duration of certain fixed income securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the Fund may exhibit additional volatility. This is known as extension risk. When interest rates decline, borrowers may pay off their fixed income securities sooner than expected. This can reduce the returns of the Fund because the Fund will have to reinvest that money at the lower prevailing interest rates. This is known as prepayment risk.
- *Mortgage-Backed Securities Risk*, exists when the Fund invests in mortgage-backed securities which represent an interest in a pool of mortgages. Mortgage-backed securities are subject to prepayment and extension risk but the negative effect of a rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of a portfolio. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations.
- *Asset-Backed Securities Risk*, exists when the Fund invests in asset-backed securities which are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. Asset-backed securities are subject to many of the same risks as mortgage-backed securities including prepayment and extension risk. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited.
- *Liquidity Risk*, exists when securities are difficult or impossible for the Fund to sell at the time and the price that the Fund would like due to a limited market or to legal restrictions. This may result in a loss or may otherwise be costly to the Fund. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. These securities may also need to be fair valued.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate may no longer be calculated after 2021. The terms of many investments, financings or other transactions to which a Fund may be a party have been historically tied to the London Interbank Offered Rate, or "LIBOR," which may be a significant factor in determining the Fund's payment obligations under a derivative investment, the cost of financing to the Fund or an investment's value or return to the Fund. After 2021, LIBOR may cease to be published. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments.
- *Foreign Investment Risk*, which means risks unique to investing in foreign issuers. These include:
  - Less information about foreign issuers or markets may be available because of less rigorous accounting standards or regulatory practices.
  - Many foreign markets are smaller, less liquid and more volatile than U.S. markets. In a changing market, the Sub-advisers may not be able to sell securities held by the Fund in amounts and at prices they consider reasonable. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
  - Economic, political or social instability in foreign countries may significantly disrupt the principal financial markets in which the Fund invests.
  - Foreign governments may expropriate assets, impose capital or currency controls, impose punitive taxes, or nationalize a company, which could have a severe effect on the Fund's ability to bring its capital or income back to the U.S. or on security prices.
  - Withholding and other foreign taxes may decrease the Fund's return.
- *Emerging Markets Risk*, which refers to the fact that the market value for emerging market equity securities historically has been very volatile and an investment in the Fund involves a substantial degree of risk. In addition to foreign investment and currency risks, which tend to be amplified in emerging markets, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. The economies of emerging market countries may grow at slower rates than expected or suffer a downturn or recession. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. The Fund also could experience a loss from settlement and custody practices in some emerging markets.
- *Currency Risk*, which refers to the risk that as a result of the Fund's investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged. In either event, the value of your investment in the Fund would be adversely affected.
- *Convertible Securities and Preferred Stocks Risk*, convertible securities are bonds, debentures, notes, preferred stock or other securities that may be converted into or exercised for a prescribed amount of common stock at a specified time and price. Convertible securities provide an opportunity for equity participation, with the potential for a higher dividend or interest yield and lower price volatility compared to common stock. Convertible securities typically pay a lower interest rate than nonconvertible bonds of the

same quality and maturity because of the conversion feature. The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline, and the credit standing of the issuer. The price of a convertible security will also normally vary in some proportion to changes in the price of the underlying common stock because of the conversion or exercise feature. Convertible securities may also be rated below investment grade (junk bonds) or not rated and are subject to credit risk and prepayment risk.

- **Short Sale Risk**, selling short may produce higher than normal portfolio turnover and result in increased transaction costs to the Fund. In addition, selling short magnifies the potential for both gain and loss to the Fund. The larger the Fund's short position, the greater the potential for gain and loss. If a security sold short increases in price, the Fund may have to cover its short position at a higher price than the short sale price, resulting in a loss. To borrow the security, the Fund also may be required to pay a premium, which could increase the cost of the security sold short. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses the Fund may be required to pay in connection with the short sale. In addition, because the Fund's loss on a short sale arises from increases in the value of the security sold short, such loss is theoretically unlimited. By contrast, the Fund's loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot drop below zero.
- **Securities Lending Risk**, which includes the potential insolvency of the borrower that could result in delays in recovering securities and capital losses. Additionally, losses could result from the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- **Manager Risk**, which is the risk that poor security selection by a Sub-adviser will cause the Fund to underperform relevant benchmarks or other investments with similar strategies. This risk is common for all actively managed funds.
- **Multi-Manager Risk**, which is the risk that the investment styles of the Sub-advisers may not complement each other as expected by the Manager. The Fund's exposure to a particular stock, industry or technique could be greater or smaller than if the Fund had a single Sub-adviser. Also, the Fund may experience a higher portfolio turnover rate, which is the frequency with which the Fund sells and replaces its securities within a given period. Higher turnover can increase the Fund's transaction costs, thereby lowering its returns. It also may generate more taxable short-term gains for shareholders.

- **Issuer Risk**, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- **Leverage Risk** means that the Fund's use of derivatives may result in the Fund's total investment exposure substantially exceeding the value of its portfolio securities and that the Fund's investment returns depending substantially on the performance of securities that the Fund may not directly own. The use of leverage can amplify the effects of market volatility on the Fund's share price and may also cause the Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations. The Fund's use of leverage may result in a heightened risk of investment loss.

## International Fixed Income Fund

### Investment objective

Maximize current income, consistent with the protection of principal.

### Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income instruments. The Fund invests primarily in fixed income instruments of issuers located outside the U.S. Up to 15% of the Fund's total assets may be invested in fixed income instruments of issuers located in emerging markets countries. The fixed income instruments in which the Fund may invest include securities issued or guaranteed by the U.S. Government, its agencies or government-sponsored enterprises (Note that securities issued by U.S. Government agencies or government-sponsored enterprises may not be guaranteed by the U.S. Treasury); corporate debt securities of U.S. and non-U.S. issuers, including preferred and convertible securities and corporate commercial paper; mortgage-backed and other asset-backed securities; inflation-indexed bonds issued both by governments and corporations; structured notes, including hybrid or "indexed" securities and event-linked bonds; loan participations and assignments; delayed funding loans and revolving credit facilities; bank loans; bank certificates of deposit, fixed time deposits and bankers' acceptances; repurchase agreements on fixed income instruments and reverse repurchase agreements on fixed income instruments; debt securities issued by foreign sovereigns, states or local governments and their agencies, authorities and other government-sponsored enterprises; obligations of non-U.S. governments or their subdivisions, agencies and government-sponsored enterprises; and obligations of international agencies or supranational entities.

The Fund also may invest in derivatives based on fixed income instruments including futures, forwards, options, swaps, and swaptions and may use other investment techniques such as mortgage dollar rolls, buy-backs and securities lending to earn



additional income. The Fund also may engage in short sales and invest in privately placed securities.

Investments may be structured to provide all types of interest rate payments, including fixed, variable, floating, inverse, zero or interest-only rates of interest. The Fund may invest in currency spot and forward transactions for the purpose of active currency exposure. Foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) normally will be limited to 30% of the Fund's total assets. The Fund may also invest up to 10% of its total assets in preferred stocks, convertible securities and other equity-related securities. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help Fund performance.

**Credit Quality.** The Fund invests primarily in investment grade debt securities, but may invest up to 15% of its total assets in non-investment grade securities (sometimes called "high yield securities" or "junk bonds") rated CCC- or higher by Moody's, or equivalently rated by S&P or Fitch, or, if unrated, determined by the Sub-adviser (as defined below) to be of comparable quality.

**Duration.** The Fund's average portfolio duration, as calculated by the Sub-adviser, normally ranges within two years (plus or minus) of the duration of the benchmark index. Duration is an approximate measure of the sensitivity of the market value of the Fund's holdings to changes in interest rates. Maturity means the date on which the principal amount of a debt security is due and payable. The Fund may invest in individual securities of any maturity.

### How the Sub-adviser selects the Fund's investments

**Pacific Investment Management Company LLC ("PIMCO")** employs a total return approach that focuses on both capital appreciation and income while managing overall risk. PIMCO manages global bond investments by focusing on both economic and credit fundamentals as key determinants of value in fixed income markets, limiting volatility with respect to the benchmark index.

### Principal risks

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Market Risk**, which is the risk that the Fund will be affected by broad changes in the fixed income markets. The prices of the Fund's fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund's fixed income securities will decrease in value if interest rates rise and vice versa. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international

economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In response to these events, the Fund's value may fluctuate and/or the Fund may experience increased redemptions from shareholders, which may impact the Fund's liquidity or force the Fund to sell securities into a declining or illiquid market. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession.

- **Interest Rate Risk**, which is the risk that interest rates rise and fall over time. As the yields of the underlying investments change over time, the Fund's yield will change. When interest rates are low, the Fund's yield and total return also may be low. When interest rates rise, bond prices generally fall, which might cause the Fund's share price to fall. The longer the Fund's maturity or duration, the more sensitive its share price will be to interest rate movements. Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates increase. Inverse floating rate securities may also exhibit greater price volatility than a fixed rate obligation with similar credit quality. When the Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund's shares.
- **Portfolio Turnover Risk**, which is the risk that due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.
- **Credit and Junk Bond Risk**, which means the credit quality of an investment could cause the Fund to lose money. Although the Fund invests primarily in investment grade securities, the Fund could lose money if the issuer or guarantor of a portfolio security or a counterparty to a derivative contract fails to make timely payment or otherwise honor its obligations. Non-investment grade securities (sometimes called "high yield securities" or "junk bonds") involve greater risks of default or downgrade and are more volatile than investment grade securities due to actual or perceived changes in an issuer's creditworthiness. Additionally, issuers of non-investment grade securities may be more susceptible

than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity. Discontinuation of these payments could substantially adversely affect the market value of the securities.

- *Prepayment and Extension Risks*, which means a debt obligation may be paid off earlier or later than expected. Either situation could cause the Fund to hold securities paying lower-than-market rates of interest, which could hurt the Fund's yield or share price. Additionally, rising interest rates tend to extend the duration of certain fixed income securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the Fund may exhibit additional volatility. This is known as extension risk. When interest rates decline, borrowers may pay off their fixed income securities sooner than expected. This can reduce the returns of the Fund because the Fund will have to reinvest that money at the lower prevailing interest rates. This is known as prepayment risk.
- *Mortgage-Backed Securities Risk*, exists when the Fund invests in mortgage-backed securities which represent an interest in a pool of mortgages. Mortgage-backed securities are subject to prepayment and extension risk but the negative effect of a rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of a portfolio. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations.
- *Asset-Backed Securities Risk*, exists when the Fund invests in asset-backed securities which are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. Asset-backed securities are subject to many of the same risks as mortgage-backed securities including prepayment and extension risk. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited.
- *Convertible Securities and Preferred Stocks Risk*, convertible securities are bonds, debentures, notes, preferred stock or other securities that may be converted into or exercised for a prescribed amount of common stock at a specified time and price. Convertible securities provide an opportunity for equity participation, with the potential for a higher dividend or interest yield and lower price volatility compared to common stock. Convertible securities typically pay a lower interest rate than nonconvertible bonds of the same quality and maturity because of the conversion feature. The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline, and the credit standing of the issuer. The price of a convertible security will also normally vary in some proportion to changes in the price of the underlying common stock because of the conversion or exercise feature. Convertible securities may also be rated below investment grade (junk bonds) or not rated and are subject to credit risk and prepayment risk.
- *Derivatives risk*, which means that the Fund's use of futures, forwards, options, swaps and swaptions based on fixed income instruments to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Futures, forwards, options, swaps and swaptions will obligate or entitle the Fund to deliver or receive an asset or a cash payment based on the change in value of one or more designated securities, currencies or indices. Even a small investment in futures, forwards, options, swaps and swaptions can have a large impact on the Fund's interest rate, securities market and currency exposure. Therefore, using futures, forwards, options, swaps and swaptions can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in futures, forwards, options, swaps and swaptions if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain futures, forwards, options, swaps and swaptions presents the same types of credit risks as issuers of fixed income securities. Investing in futures, forwards, options, swaps and swaptions can also make the Fund's assets less liquid and harder to value, especially in declining markets. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
- *Delayed Funding Loans and Revolving Credit Facilities Risk*, the Fund's investments in delayed funding loans and revolving credit facilities may have the effect of requiring a Fund to increase its investment in a company at a time when it might not otherwise decide to do so (including at a time when such company's financial condition makes it unlikely that such additional funding commitments will be repaid). Delayed funding loans and revolving credit facilities are subject to credit, interest rate and liquidity risk and the risks of being a lender.
- *Event-Linked Exposure Risk*, event-linked exposure results in gains or losses that typically are contingent, or formulaically related to defined trigger events. Examples of trigger events include hurricanes, earthquakes, weather-related phenomena, or statistics relating to such events. Some event-linked bonds are commonly referred to as "catastrophe bonds." If a trigger event occurs, a Fund may lose a portion of or the entire principal investment in the case of a bond or a portion of or the entire notional amount in the case of a swap. Event-linked exposure instruments often provide for an extension of maturity to process and audit loss claims where a trigger event has, or possibly has, occurred. An extension of maturity may increase volatility. Event-linked exposure may also expose a Fund to certain

unanticipated risks including credit risk, counterparty risk, adverse regulatory or jurisdictional interpretations, and adverse tax consequences. Event-linked exposures may also be subject to liquidity risk.

- *Foreign Investment Risks*, which means risks unique to investing in foreign issuers. These include:
  - Less information about foreign issuers or markets may be available because of less rigorous accounting standards or regulatory practices.
  - Many foreign markets are smaller, less liquid and more volatile than U.S. markets. In a changing market, the Sub-adviser may not be able to sell securities held by the Fund in amounts and at prices it considers reasonable. The Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.
  - Economic, political or social instability in foreign countries may significantly disrupt the principal financial markets in which the Fund invests.
  - Foreign governments may expropriate assets, impose capital or currency controls, impose punitive taxes, or nationalize a company, which could have a severe effect on the Fund's ability to bring its capital or income back to the U.S. or on security prices.
  - Withholding and other foreign taxes may decrease the Fund's return.
- *Emerging Markets Risk*, which refers to the fact that the market value for emerging market equity securities historically has been very volatile and an investment in the Fund involves a substantial degree of risk. In addition to foreign investment and currency risks, which tend to be amplified in emerging markets, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. The economies of emerging market countries may grow at slower rates than expected or suffer a downturn or recession. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. The Fund also could experience a loss from settlement and custody practices in some emerging markets.
- *Currency Risk*, which refers to the risk that as a result of the Fund's active positions in currencies and investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged. In either event, the value of your investment in the Fund would be adversely affected.
- *Short Sale Risk*, selling short may produce higher than normal portfolio turnover and result in increased transaction costs to the Fund. In addition, selling short magnifies the potential for both gain and loss to the Fund. The larger the Fund's short position, the greater the potential for gain and loss. If a security sold short increases in price, the Fund may have to cover its short position at a higher price than the short sale price, resulting in a loss. To borrow the security,

the Fund also may be required to pay a premium, which could increase the cost of the security sold short. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses the Fund may be required to pay in connection with the short sale. In addition, because the Fund's loss on a short sale arises from increases in the value of the security sold short, such loss is theoretically unlimited. By contrast, the Fund's loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot drop below zero.

- *Liquidity Risk*, exists when securities are difficult or impossible for the Fund to sell at the time and the price that the Fund would like due to a limited market or to legal restrictions. This may result in a loss or may otherwise be costly to the Fund. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. These securities may also need to be fair valued.
- *Non-Diversification Risk*, which means that because the Fund is a "non-diversified" fund, it is permitted to invest in a limited number of issuers. To the extent the Fund invests in a limited number of issuers or countries, it is subject, to a greater extent, to the risks associated with those issuers or countries.
- *Securities Lending Risk*, which includes the potential insolvency of the borrower that could result in delays in recovering securities and capital losses. Additionally, losses could result from the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Manager Risk*, which is the risk that poor security selection by the Sub-adviser will cause the Fund to underperform relevant benchmarks or other investments with similar strategies. This risk is common for all actively managed funds.
- *Equity Risk*, which is the risk that prices of equity securities rise and fall daily. Price movements may occur due to factors affecting individual companies, such as the issuance of an unfavorable earnings report, or other events affecting particular industries or the equity market as a whole.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate may no longer be calculated after 2021. The terms of many investments, financings or other transactions to which a Fund may be a party have been historically tied to the London Interbank Offered Rate, or "LIBOR," which may be a significant factor in determining the Fund's payment obligations under a derivative investment, the cost of financing to the Fund or an investment's value or return to the Fund. After 2021, LIBOR may cease to be published. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR. It could

also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments.

- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *Leverage Risk* means that the Fund's use of derivatives may result in the Fund's total investment exposure substantially exceeding the value of its portfolio securities and that the Fund's investment returns depending substantially on the performance of securities that the Fund may not directly own. The use of leverage can amplify the effects of market volatility on the Fund's share price and may also cause the Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations. The Fund's use of leverage may result in a heightened risk of investment loss.
- *Foreign Sovereign Debt Securities Risk* includes that (i) the governmental entity that controls the repayment of sovereign debt may not be willing or able to repay the principal and/or interest when it becomes due, due to factors such as debt service burden, political constraints, cash flow problems and other national economic factors; (ii) governments may default on their debt securities, which may require the Fund, as a holder of such securities, to participate in debt rescheduling or additional lending to defaulting governments; and (iii) there is no bankruptcy proceeding by which defaulted sovereign debt may be collected in whole or in part.

## Municipal Bond Fund

### Investment objective

A high level of interest income that is excluded from federal income taxation, to the extent consistent with prudent investment management and the preservation of capital.

### Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in tax exempt general obligation, revenue and private activity bonds and notes, which are issued by or on behalf of states, territories or possessions of the U.S. and the District of Columbia and their political subdivisions, agencies and instrumentalities (including Puerto Rico, the Virgin Islands and Guam). Tax-exempt means that the bonds pay interest that is excluded from gross income for regular federal income tax purposes but such bonds may pay income that is subject to the alternative minimum tax.

**Credit quality.** The Fund limits its investments to 20% in municipal obligations that are rated below investment grade by a nationally recognized statistical rating organization, or, if unrated, of equivalent quality as determined by the Sub-adviser (as defined below).

**Duration.** The Fund's average portfolio duration, as calculated by the Sub-adviser, is typically maintained at +/- 3 years of the average benchmark duration, which is the average duration of all the constituent bonds in the Bloomberg Barclays U.S. Municipal Bond Index. The Sub-adviser seeks to target the average duration of the benchmark which varies over time and may be impacted by market conditions. Duration is an approximate measure of the sensitivity of the market value of the portfolio holdings to changes in interest rates.

The Fund may engage in transactions in certain derivatives, such as financial futures contracts and options thereon, indexed and inverse floating rate obligations and swap agreements, including credit default swap agreements. The Fund may use derivative instruments to hedge its investments or to seek to enhance returns.

The Fund may leverage its assets through the use of proceeds received through tender option bond transactions. In a tender option bond transaction, the Fund transfers municipal bonds or other municipal securities into a special purpose entity (a "TOB Trust"). A TOB Trust typically issues two classes of beneficial interests: short-term floating rate interests ("TOB Floaters"), which are sold to third party investors, and residual inverse floating rate interests ("TOB Residuals"), which are generally issued to the Fund. The Fund may invest in TOB Residuals and may also invest in TOB Floaters. The Fund will look through to the underlying municipal bond held by a TOB Trust for purposes of the Fund's 80% policy.

## How the Sub-adviser selects the Fund's investments

**BlackRock Financial Management, Inc. ("BlackRock")** seeks to achieve its objective by investing at least 80% of its assets in municipal bonds. Municipal bonds include debt obligations issued by or on behalf of a governmental entity or other qualifying issuer that pay interest that is, in the opinion of bond counsel to the issuer, generally excludable from gross income for Federal income tax purposes (except that the interest may be includable in taxable income for purposes of the Federal alternative minimum tax). Municipal bonds may be obligations of a variety of issuers, including governmental entities or other qualifying issuers. Issuers may be states, territories and possessions of the United States and the District of Columbia and their political subdivisions, agencies and instrumentalities. Municipal bonds also include short-term tax-exempt obligations like municipal notes and variable rate demand obligations. The Fund limits its investments to 20% in municipal obligations that are rated below investment grade by a nationally recognized statistical rating organization, or, if unrated, of equivalent quality as determined by the Sub-adviser. The percentage of the Fund's assets allocated to BlackRock is targeted at 100%.

### Principal risks

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:



- *Market Risk*, which is the risk that municipal bond prices decline overall. Bond markets tend to move in cycles, with periods of rising prices and periods of falling prices. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession. Market risk may affect a single company, sector of the economy or the market as a whole. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets.
- *Interest Rate Risk*, which is the risk that interest rates rise and fall over time. As the yields of the underlying investments change over time, the Fund's yield will change. When interest rates are low, the Fund's yield and total return also may be low. When interest rates rise, bond prices generally fall, which might cause the Fund's share price to fall. The longer the Fund's maturity, the more sensitive its share price will be to interest rate movements. Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates increase. Inverse floating rate securities may also exhibit greater price volatility than a fixed rate obligation with similar credit quality. When the Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund's shares.
- *Credit and Junk Bond Risk*, which means the credit quality of an investment could cause the Fund to lose money. Non-investment grade securities (sometimes called "high yield securities" or "junk bonds") involve greater risks of default or downgrade, are more volatile and may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity, which could substantially adversely affect the market value of the securities.
- *Prepayment and Extension Risks*, which means a debt obligation may be paid off earlier or later than expected. Either situation could cause the Fund to hold securities paying lower-than-market rates of interest, which could hurt the Fund's yield or share price. Additionally, rising interest rates tend to extend the duration of certain fixed income securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the Fund may exhibit additional volatility. This is known as extension risk. When interest rates decline, borrowers may pay off their fixed income securities sooner than expected. This can reduce the returns of the Fund because the Fund will have to reinvest that money at the lower prevailing interest rates. This is known as prepayment risk.
- *Municipal Securities Risk*, which includes the risk that new federal or state legislation or Internal Revenue Service determinations may adversely affect the tax-exempt status of securities held by the Fund or the financial ability of the municipalities to repay these obligations. Municipal securities, like other fixed income securities, rise and fall in value in response to economic and market factors, primarily changes in interest rates, and actual or perceived credit quality. Rising interest rates will generally cause municipal securities to decline in value. Longer-term securities usually respond more sharply to interest rate changes than do shorter-term securities. A municipal security will also lose value if, due to rating downgrades or other factors, there are concerns about the issuer's current or future ability to make principal or interest payments. State and local governments rely on taxes and, to some extent, revenues from private projects financed by municipal securities, to pay interest and principal on municipal debt. Poor statewide or local economic results or changing political sentiments may reduce tax revenues and increase the expenses of municipal issuers, making it more difficult for them to meet their obligations. Actual or perceived erosion of the creditworthiness of municipal issuers may reduce the value of the Fund's holdings. As a result, the Fund will be more susceptible to factors that adversely affect issuers of municipal obligations than a mutual fund that does not have as great a concentration in municipal obligations. Also, there may be economic or political changes that impact the ability of issuers of municipal securities to repay principal and to make interest payments on securities owned by the Fund. Any changes in the financial condition of municipal issuers may also adversely affect the value of the Fund's securities. Due to local economic and financial conditions, certain municipal issuers will be more susceptible to default on their obligations than others. Each of these risks may be heightened with respect to investments in U.S. instrumentalities, such as Guam, the Virgin Islands and Puerto Rico.
- *Liquidity Risk*, which means when there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the

Fund's share price may fall dramatically, even during periods of declining interest rates. The secondary market for certain municipal bonds tends to be less well-developed or liquid than many other securities markets, which may adversely affect the Fund's ability to sell such municipal bonds at attractive prices.

- *Taxation Risk*, which means the possibility that some of the Fund's income distributions may be, and distributions of the Fund's gains may be subject to federal taxation. The Fund will rely on the opinions of issuers' bond counsel on the tax-exempt status of interest on municipal bond obligations. Neither the Fund nor its Sub-adviser will independently review the bases for those tax opinions, which may ultimately be determined to be incorrect and subject the Fund and its shareholders to substantial tax liabilities. In addition, the Fund may realize taxable gains on the sale of its securities or other transactions, and some of the Fund's income distributions may be subject to the federal alternative minimum tax. This may result in a lower tax-adjusted return. Additionally, distributions of the Fund's income and gains generally will be subject to state taxation. Municipal bond funds are generally not appropriate investments for those investing through a tax-deferred account, such as an individual retirement account or employer-sponsored retirement plan, because the funds' tax advantages are not applicable if investing through such an account.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate may no longer be calculated after 2021. The terms of many investments, financings or other transactions to which a Fund may be a party have been historically tied to the London Interbank Offered Rate, or "LIBOR," which may be a significant factor in determining the Fund's payment obligations under a derivative investment, the cost of financing to the Fund or an investment's value or return to the Fund. After 2021, LIBOR may cease to be published. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments.
- *Manager Risk*, which is the risk that poor security selection by the Sub-adviser will cause the Fund to underperform relevant benchmarks or other investments with similar strategies. This risk is common for all actively managed funds.
- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *Leverage Risk*, which means the Fund's use of leverage may exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities and cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to maintain asset coverage.
- *Tender Option Bonds and Related Securities Risk*, which means the Fund's participation in tender option bond transactions may reduce the Fund's returns and/or increase volatility. Investments in tender option bond transactions expose the Fund to counterparty risk and leverage risk. An investment in a tender option bond transaction typically will involve greater risk than an investment in a municipal fixed rate security, including the risk of loss of principal. Distributions on TOB Residuals will bear an inverse relationship to short-term municipal security interest rates. Distributions on TOB Residuals paid to the Fund will be reduced or, in the extreme, eliminated as short-term municipal interest rates rise and will increase when short-term municipal interest rates fall. TOB Residuals generally will underperform the market for fixed rate municipal securities in a rising interest rate environment. The Fund may invest in TOB Trusts on either a non-recourse or recourse basis. If the Fund invests in a TOB Trust on a recourse basis, it could suffer losses in excess of the value of its TOB Residuals.
- *Derivatives Risk*, which means that the Fund's use of futures, forwards, options, swaps and swaptions based on fixed income instruments to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Even a small investment in futures, forwards, options, swaps and swaptions can have a large impact on the Fund's interest rate, securities market and currency exposure. Therefore, using futures, forwards, options, swaps and swaptions can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on its investment in futures, forwards, options, swaps and swaptions if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain futures, forwards, options, swaps and swaptions presents the same types of credit risks as issuers of fixed income securities. Investing in futures, forwards, options, swaps and swaptions can also make the Fund's assets less liquid and harder to value, especially in declining markets.
- *Floating Rate Obligations Risk*, which is the risk that unexpected changes in the interest rates on floating rate obligations could result in losses to the Fund. In addition, the secondary market on which floating rate obligations are traded may be less liquid than the market for investment grade securities or other types of income-producing securities, which may have an adverse impact on their market price. There is also a potential that there will be no active market to trade floating rate obligations, that there may be restrictions on their transfer, or that they may have delayed settlement periods. As a result, the Fund may be unable to sell such instruments at the desired time or may be able to sell only at a price less than fair market value. The price of inverse floating rate obligations (inverse floaters) is expected to decline when interest rates rise, and generally



will be more volatile and decline further than the price of a bond with a similar maturity. These risks can be particularly high if leverage is used in the formula that determines the interest payable by the inverse floater, which may make the Fund's returns more volatile and increase the risk of loss. Additionally, these securities may lose some or all of their principal and, in some cases, the Fund could lose money in excess of its investment.

## **Inflation-Linked Fixed Income Fund**

### **Investment objective**

Total return that exceeds the rate of inflation over an economic cycle.

### **Principal investment strategies**

Under normal market conditions, the Fund will invest at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income securities. The Fund seeks to allocate assets among investments to achieve the highest level of real return (total return less the rate of inflation). The Fund will shift its investments among the following general asset classes: inflation-indexed securities issued by governments, corporations, and municipal issuers; investment grade fixed income securities and high-yield fixed income securities (i.e., junk bonds) issued by governments, corporations, and municipal issuers; and short-term non-dollar denominated debt securities. The Fund may also, to a lesser extent, invest in equity securities with high correlation to broad measures of inflation.

Inflation-indexed securities are fixed income securities that are structured to provide protection against inflation. The value of the security's principal or the interest income paid on the security will be adjusted to track changes in an official inflation measure. The U.S. Treasury uses the Consumer Price Index for Urban Consumers as their inflation measure. Inflation-indexed securities issued by a foreign government are generally adjusted to reflect a comparable inflation index, calculated by that government.

The Fund invests primarily in investment grade debt securities; however, the Fund may invest up to 20% of its total assets in below investment grade debt securities (i.e., junk bonds), as rated by Moody's, S&P or Fitch or, if unrated, determined by the Sub-adviser (as defined below) to be of comparable credit quality to such a rating. The Fund may also invest up to 30% of its total assets in foreign currency denominated securities, including emerging market securities. For purposes of pursuing its investment goal, the Fund may enter into currency-related transactions involving certain derivative instruments, including currency and cross currency forward contracts. The use of derivative currency transactions may allow the Fund to reduce a specific risk exposure of a portfolio security or its denominated currency or to obtain net long exposure to selected currencies. Under normal market conditions, the Fund

will seek to limit its foreign currency exposure to 20% of its total assets.

The Fund may invest, without limitation, in derivative instruments, such as options, futures contracts, or swap agreements, or in mortgage- or asset- backed securities, subject to applicable law and any other restrictions described in this Prospectus or Statement of Additional Information. The Fund may purchase or sell securities on a when-issued, delayed delivery, or forward commitment basis and may engage in short sales. The Fund may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The Fund may also invest up to 10% of its total assets in preferred stocks.

The Fund's investment objective is not fundamental and may be changed by the Board of Trustees without shareholder approval.

### **How the Sub-adviser selects the Fund's investments**

**Pacific Investment Management Company LLC ("PIMCO")** employs a total return approach that focuses on maximum real return, consistent with preservation of capital and prudent investment management. PIMCO manages real return investments by focusing on both macro inflation outlook and bottom-up research capabilities as key determinants of value in fixed income markets, limiting volatility with respect to the benchmark index.

### **Principal risks**

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- *Interest Rate Risk*, the risk that fixed income securities will decline in value because of an increase in interest rates; a fund with longer average portfolio duration will be more sensitive to changes in interest rates than a fund with shorter average portfolio duration.
- *Call Risk*, the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Fund has invested in, the Fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.
- *Credit Risk*, the risk that the Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.
- *High Yield Risk*, the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call

and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments and may be more volatile than higher-rated securities of similar maturity.

- *Market Risk*, the risk that the value of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession.
- *Issuer Risk*, the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *Liquidity Risk*, the risk that a particular investment may be difficult to purchase or sell and that the Fund may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity.
- *Derivatives Risk*, the risk of investing in derivative instruments (such as forwards, futures, options, swaps and structured securities), include liquidity, interest rate, market, and credit risks, each of which is described herein. Derivative instruments also may be difficult to accurately price due to their complexity, particularly derivative instruments that are traded off an exchange (also known as "over the counter"). Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Fund could lose more than the initial amount invested. The Fund's use of derivatives may result in losses to the Fund, a reduction in the Fund's returns and/or increased volatility. Over-the-counter derivatives are also subject to the risk that the other party in the transaction will not fulfill its contractual obligations. For derivatives traded on exchanges, the primary credit risk is the creditworthiness of the Fund's clearing broker or the exchange itself.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate may no longer be calculated after 2021.

The terms of many investments, financings or other transactions to which a Fund may be a party have been historically tied to the London Interbank Offered Rate, or "LIBOR," which may be a significant factor in determining the Fund's payment obligations under a derivative investment, the cost of financing to the Fund or an investment's value or return to the Fund. After 2021, LIBOR may cease to be published. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments.

- *Equity Risk*, the risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.
- *Mortgage-Related and Other Asset-Backed Securities Risk*, the risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk, and credit risk.
- *Asset-Backed Securities Risk*, exists when the Fund invests in asset-backed securities which are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. Asset-backed securities are subject to many of the same risks as mortgage-backed securities including prepayment and extension risk. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited.
- *Foreign (Non-U.S.) Investment Risk*, the risk that investing in foreign securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.
- *Emerging Markets Risk*, the risk of investing in emerging market securities, primarily increased foreign investment risk.
- *Sovereign Debt Risk*, the risk that investments in fixed income instruments issued by sovereign entities may decline in value as a result of default or other adverse credit event resulting from the issuer's inability or unwillingness to make principal or interest payments in a timely fashion.
- *Currency Risk*, the risk that foreign currencies will decline in value relative to the U.S. dollar and affect the Fund's

investments in foreign currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign currencies.

- **Leveraging Risk**, the risk that certain transactions of the Fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Fund to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.
- **Short Sale Risk**, the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund.
- **Portfolio Turnover Risk**, which is the risk that due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

## Ultra-Short Term Fixed Income Fund

### Investment objective

Total return, consistent with preservation of capital.

### Principal investment strategies

The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income instruments with maturities of less than or equal to two years.

Under normal market conditions, the Fund invests primarily in investment-grade securities and will seek to maintain an average portfolio duration of two years or less. The Fund seeks to outperform the FTSE 3-Month U.S. Treasury Bill Index over a full market cycle, while maintaining overall risk similar to the index. The Fund will invest in government and corporate debt securities, mortgage- and asset-backed securities, money market instruments, collateralized loan obligations ("CLOs"), and derivatives, including futures contracts, forward contracts (such as currency and cross-currency forwards), options and swaps (such as interest rate swaps and credit default swaps). The Fund may invest up to 20% of net assets in securities rated below investment grade. It may also invest up to 30% of its total assets in securities denominated in foreign currencies and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. Under normal market conditions, the Fund will seek to limit its foreign currency exposure to 20% of its total assets. The Fund may also lend portfolio securities to earn additional income. Any income realized through securities lending may help fund performance.

The Fund may invest up to 20% of its total assets in non-investment grade securities (sometimes called "high yield securities" or "junk bonds") rated CCC- or higher by Moody's, or equivalently rated by S&P or Fitch, or, if unrated, determined

by the Sub-adviser (as defined below) to be of comparable credit quality.

The Fund's average portfolio duration, as calculated by the Sub-adviser is normally less than two years. Duration is an approximate measure of the sensitivity of the market value of the Fund's holdings to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. In addition, the dollar-weighted average portfolio maturity of the Fund, under normal circumstances, is expected not to exceed three years. Maturity means the date on which the principal amount of a debt security is due and payable. Individual investments may be of any maturity.

The Fund may purchase or sell securities on a when-issued, delayed delivery, or forward commitment basis and may engage in short sales. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sales contracts or by using other investment techniques (such as buy-backs or dollar rolls).

The Fund's investment objective is not fundamental and may be changed by the Board of Trustees without shareholder approval.

### How the Sub-adviser selects the Fund's investments

**Pacific Investment Management Company LLC ("PIMCO")** employs a total return approach that seeks maximum current income, consistent with preservation of capital and daily liquidity. PIMCO manages short-term return investments by focusing on ultra-short, high quality fixed income securities, offering higher potential than traditional cash investments, with modest additional risk.

### Principal risks

Loss of money is a risk of investing in the Fund.

The Fund's principal risks include:

- **Interest Rate Risk**, the risk that fixed income securities will decline in value because of an increase in interest rates; a fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration.
- **Call Risk**, the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Fund has invested in, the Fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.
- **Credit Risk**, the risk that the Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.

- *High Yield Risk*, the risk that high yield securities and unrated securities of similar credit quality (commonly known as “junk bonds”) are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer’s continuing ability to make principal and interest payments and may be more volatile than higher-rated securities of similar maturity.
- *Market Risk*, the risk that the value of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession.
- *Issuer Risk*, the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods or services.
- *Liquidity Risk*, the risk that a particular investment may be difficult to purchase or sell and that the Fund may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity.
- *Derivatives Risk*, the risk of investing in derivative instruments (such as forwards, futures, options, swaps and structured securities), include liquidity, interest rate, market, and credit risks, each of which is described herein. Derivative instruments also may be difficult to accurately price due to their complexity, particularly derivative instruments that are traded off an exchange (also known as “over the counter”). Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Fund could lose more than the initial amount invested. The Fund’s use of derivatives may result in losses to the Fund, a reduction in the Fund’s returns and/or increased volatility. Over-the-counter derivatives are also subject to the risk that the other party in the transaction will not fulfill its contractual obligations. For derivatives traded on exchanges, the primary credit risk is the creditworthiness of the Fund’s clearing broker or the exchange itself.
- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate may no longer be calculated after 2021. The terms of many investments, financings or other transactions to which a Fund may be a party have been historically tied to the London Interbank Offered Rate, or “LIBOR,” which may be a significant factor in determining the Fund’s payment obligations under a derivative investment, the cost of financing to the Fund or an investment’s value or return to the Fund. After 2021, LIBOR may cease to be published. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments.
- *Securities Lending Risk*, which includes the potential insolvency of the borrower that could result in delays in recovering securities and capital losses. Additionally, losses could result from the re-investment of collateral received on loaned securities in investments that default or do not perform well.
- *Equity risk*, the risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.
- *Mortgage-Related and Other Asset-Backed Securities Risk*, the risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk, and credit risk.
- *U.S. Government Securities Risk*, it means that U.S. Government securities are obligations of, or guaranteed by, the U.S. Government, its agencies or government-sponsored entities. U.S. Government securities include issues by non-governmental entities (such as financial institutions) that carry direct guarantees from U.S. Government agencies as part of government initiatives in response to a market crisis or otherwise. Although the U.S. Government guarantees principal and interest payments on securities issued by the U.S. Government and some of its agencies, such as securities issued by the Government National Mortgage Association, this guarantee does not apply to losses resulting from declines in the market value of these securities. U.S. Government securities include zero coupon securities that make payments of interest and principal only upon maturity, which tend to be subject to greater volatility than interest bearing securities with comparable maturities. Some of the U.S. Government securities that a Fund may hold are not guaranteed or backed by the full faith and credit of the U.S. Government, such as those issued by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The maximum potential liability of the



issuers of some U.S. Government securities may greatly exceed their current resources, including any legal right to support from the U.S. Government. Although U.S. Government securities are considered to be among the safest investments, they are still subject to the credit risk of the U.S. Government and are not guaranteed against price movements due to changing interest rates.

- **Money Market Securities Risk**, means that an investment in the Fund is subject to the risk that the value of its investments in high-quality short-term obligations (“money market securities”) may be subject to changes in interest rates, changes in the rating of any money market security and in the ability of an issuer to make payments of interest and principal.
- **Foreign (Non-U.S.) Investment Risk**, the risk that investing in foreign securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.
- **Currency Risk**, the risk that foreign currencies will decline in value relative to the U.S. dollar and affect the Fund's investments in foreign currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign currencies.
- **Leveraging Risk**, the risk that certain transactions of the Fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Fund to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.
- **Short Sale Risk**, the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund.
- **Collateralized Loan Obligations Risk**, collateralized loan obligations (“CLOs”) are a type of asset-backed security that is typically structured as a trust collateralized by a pool of loans. The cash flows from the trust are split into two or more portions, called tranches, varying in risk and yield. The risks of an investment in a CLO depend largely on the type of the collateral securities and the class of the instrument in which the Fund invests. In addition to the normal risks associated with fixed income securities, CLOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the

collateral may decline in value or default; (iii) the Fund may invest in CLOs that are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

## Alternative Strategies Fund

### Investment objective

Long term growth of capital.

### Principal investment strategies

Under normal market conditions, the Fund seeks to generate long term growth across market cycles with reduced correlation to the equity and fixed income markets. The Fund seeks to achieve its investment objective by allocating its assets among shares of mutual funds, exchange-traded funds or closed-end funds managed by third-party professional money managers (“Underlying Funds”). The Adviser determines which Underlying Funds in which to invest the Fund's assets through a diligence process that is designed to identify the most appropriate Underlying Funds under the circumstances. The Adviser then uses a risk-budgeting technique to allocate the Fund's assets among the identified Underlying Funds, based on the investment exposure that each Underlying Fund represents and the Adviser's views on various sectors, industries and investment strategies. The Adviser then monitors the Fund's investments in Underlying Funds on an ongoing basis to determine whether the Fund's assets should be reallocated among the existing Underlying Funds, whether the Fund should invest in a new Underlying Fund and/or whether the Fund should sell out of its position in an Underlying Fund. As a result of this process, no single Underlying Fund should contribute excessively to the risk of the Fund's overall portfolio.

The Underlying Funds may apply a variety of alternative investment strategies, but will typically apply one or more of four main investment strategies, including: (i) investments in real asset strategies, (ii) equity-based tactical, value or event-driven strategies, (iii) absolute return strategies that seek to generate returns independent of market conditions, and (iv) equity hedged (i.e., global macro, managed futures, multi strategy and long/short) strategies.

The Underlying Funds may apply a variety of alternative investment strategies, but will typically apply one or more of four main investment strategies, including:

1. **Real Assets:** Real assets strategies may include investments in (i) US or international real estate and securities of companies tied to the real estate industry; (ii) interests in natural resources and commodities; (iii) master limited partnerships; and (iv) infrastructure or utilities.
2. **Equity Trading:** Equity-based strategies encompass a wide range of investment programs, including (i) directional or tactical strategies, such as long/short (strategies that seek to

profit from both increases and decreases in security prices) and global tactical asset allocation; (ii) relative value (strategies that seek to profit from price differences between related assets); and (iii) event driven strategies (such as distressed securities, special situations and merger arbitrage).

3. **Absolute Return:** Absolute return strategies seek to generate absolute returns independent of market conditions, while minimizing volatility by combining strategies with different volatility patterns. Absolute return strategies may include (i) long/short credit allocation; (ii) arbitrage strategies, such as fixed income or interest rate arbitrage, convertible arbitrage, and equity market neutral arbitrage; and (iii) unconstrained bond strategies.

4. **Equity Hedged Strategies:** Equity hedged strategies take long and short positions in equities (and related instruments) believed to be under- and overvalued, respectively. Short positions may also be used solely to hedge broad market exposure. Equity hedged strategies may include (i) managed futures; (ii) global macro; and (iii) multi-strategy funds.

The Underlying Funds' investment strategies may rely in part on derivative investments, such as futures, forwards, swaps, swaptions, and options, to implement their investment strategies, to generate positive returns, for hedging or risk management purposes, to limit volatility and to provide exposure to an instrument without directly purchasing it. The Underlying Funds' investments may also include exposure to companies located both in the U.S. and in foreign countries, including companies located in emerging market countries. The Underlying Funds may invest in securities and other investments of all capitalization sizes, including securities and other investment that have exposure to small- and mid-capitalization issues. The Underlying Funds may also invest in investment grade fixed income securities of any maturity or duration.

The Fund may, in the future, allocate all or a portion of its assets directly to professional money managers (each, a "Sub-adviser," collectively, the "Sub-advisers"), each of which would be responsible for investing its portion of the Fund's assets. Currently, the Fund does not use any Sub-Advisers.

The Fund's investment objective is not fundamental and may be changed by the Board of Trustees without shareholder approval.

Due to its investment strategy, the Fund may buy and sell securities and other instruments frequently.

## Principal risks

Loss of money is a risk of investing in the Fund.

- **Absolute Return Investing Risk**, which refers to the risk that the Fund's investment returns may converge with the investment returns of equity or fixed income markets during a period of declining stock prices, thereby eliminating the diversification benefit that an Underlying Fund expects from

the strategies. During these times, the strategies' correlations could increase, which in turn could increase the Fund's overall volatility.

- **Active Management Risk**, due to the active management investment strategies used by the Fund, the Fund could underperform its benchmark index and/or other funds with similar investment objectives and/or strategies.
- **Arbitrage Strategies Risk**, which involves engaging in transactions that attempt to exploit price differences of identical, related or similar securities on different markets or in different forms. The Fund may realize losses or reduced rate of return if underlying relationships among securities in which it takes investment positions change in an adverse manner or if a transaction is unexpectedly terminated or delayed. Trading to seek short-term capital appreciation can be expected to cause the Fund's portfolio turnover rate to be substantially higher than that of the average equity-oriented investment company.
- **Allocation Risk**, which refers to the risk that the Adviser's judgment about, and allocations among, strategies may adversely affect the Fund's performance.
- **Closed-End Fund Risk**, which means that since closed-end funds issue a fixed number of shares they typically trade on a stock exchange or over-the-counter at a premium or discount to their net asset value per share. The Fund will also bear its pro rata portion of any costs of a closed-end fund in which it invests.
- **Credit and Junk Bond Risk**, which means the credit quality of an investment could cause an Underlying Fund to lose money. Non-investment grade securities (sometimes called "high yield securities" or "junk bonds") involve greater risks of default or downgrade, are more volatile and may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity, which could substantially adversely affect the market value of the securities.
- **Currency Risk**, which refers to the risk that as a result of the Fund's active positions in currencies and investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged.
- **Derivatives Risk**, which means that the Fund's use of futures, forwards, options, swaps and swaptions based on fixed income instruments to enhance returns or hedge against market declines subjects the Fund to potentially greater volatility and/or losses. Even a small investment in futures, forwards, options, swaps and swaptions can have a large impact on the Fund's interest rate, securities market and currency exposure. Therefore, using futures, forwards, options, swaps and swaptions can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. The Fund may not fully benefit from or may lose money on



its investment in futures, forwards, options, swaps and swaptions if changes in their value do not correspond accurately to changes in the value of the Fund's holdings. The other party to certain futures, forwards, options, swaps and swaptions presents the same types of credit risks as issuers of fixed income securities. Investing in futures, forwards, options, swaps and swaptions can also make the Fund's assets less liquid and harder to value, especially in declining markets.

- *LIBOR Transition Risk* refers to the fact that a commonly used interest rate may no longer be calculated after 2021. The terms of many investments, financings or other transactions to which a Fund may be a party have been historically tied to the London Interbank Offered Rate, or "LIBOR," which may be a significant factor in determining the Fund's payment obligations under a derivative investment, the cost of financing to the Fund or an investment's value or return to the Fund. After 2021, LIBOR may cease to be published. The process of transitioning to a new rate might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments.
- *Event-Linked Exposure Risk*, event-linked exposure results in gains or losses that typically are contingent, or formulaically related to defined trigger events such as hurricanes, earthquakes, weather-related phenomena, or statistics relating to such events. If a trigger event occurs, a Fund may lose a portion of or the entire principal investment in the case of a bond or a portion of or the entire notional amount in the case of a swap. Event-linked exposure instruments often provide for an extension of maturity to process and audit loss claims where a trigger event has, or possibly has, occurred, such extension of maturity may increase volatility. Event-linked exposure may also expose a Fund to liquidity risk and certain unanticipated risks including credit risk, counterparty risk, adverse regulatory or jurisdictional interpretations, and adverse tax consequences.
- *Emerging Markets Risk*, emerging markets countries, which are generally defined as countries that may be represented in a market index such as the MSCI Emerging Markets Index (Net) or having per capita income in the low to middle ranges, as determined by the World Bank. In addition to foreign investment and currency risks, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. Emerging market securities may present market, credit, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. The Fund also could experience a loss from settlement and custody practices in some emerging markets.
- *Foreign Investment Risk*, which means risks unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability and unfavorable changes in currency exchange rates.
- *Foreign Sovereign Debt Securities Risk*, the risks that (i) the governmental entity that controls the repayment of sovereign debt may not be willing or able to repay the principal and/or interest when it becomes due, due to factors such as debt service burden, political constraints, cash flow problems and other national economic factors; (ii) governments may default on their debt securities, which may require holders of such securities to participate in debt rescheduling or additional lending to defaulting governments; and (iii) there is no bankruptcy proceeding by which defaulted sovereign debt may be collected in whole or in part.
- *Interest Rate Risk*, which is the risk that interest rates rise and fall over time. When interest rates are low, the Fund's yield and total return also may be low. When interest rates rise, bond prices generally fall, which might cause the Fund's share price to fall. When the Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund's shares.
- *Investment Company and Exchange-Traded Funds (ETFs) Risk*, which is when the Fund invests in an investment company, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the investment company's expenses. In addition, while the risks of owning shares of an investment company generally reflect the risks of owning the underlying investments of the investment company, the Fund may be subject to additional or different risks than if the Fund had invested directly in the underlying investments. For example, the lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio securities. Closed-end investment companies issue a fixed number of shares that trade on a stock exchange or over-the-counter at a premium or a discount to their net asset value. As a result, a closed-end fund's share price fluctuates based on what another investor is willing to pay rather than on the market value of the securities in the fund.
- *Issuer Risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.
- *Investment Limitation Risk*, which refers to the potential that the Fund may want to invest in an Underlying Fund that is not available in sufficient quantities for the Fund to participate fully due to capacity constraints of the strategy. The Fund may therefore have reduced exposure to a capacity constrained Underlying Fund, which could adversely affect the Fund's return.
- *Leverage Risk*, which means the Fund's use of leverage may exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities and cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to maintain asset coverage.

- *Liquidity Risk* exists when securities are difficult or impossible for the Fund to sell at the time and the price that the Fund would like due to a limited market or to legal restrictions. These securities may also need to be fair valued.
- *Manager Risk*, which is the risk that poor security selection by the Investment Adviser will cause the Fund to underperform. This risk is common for all actively managed funds.
- *Market Risk*, which is the risk that the Fund will be affected by broad changes in the fixed income markets. The prices of the Fund's fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund's fixed income securities will decrease in value if interest rates rise and vice versa. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In response to these events, the Fund's value may fluctuate and/or the Fund may experience increased redemptions from shareholders, which may impact the Fund's liquidity or force the Fund to sell securities into a declining or illiquid market. Similarly, Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession.
- *MLP Risk*, which is the risk that, to the extent that an MLP's interests are all in a particular industry, the MLP will be negatively impacted by economic events adversely impacting that industry. Additional risks of investing in an MLP also include those involved in investing in a partnership as opposed to a corporation. For example, state law governing partnerships is often less restrictive than state law governing corporations. Accordingly, there may be fewer protections afforded to investors in an MLP than investors in a corporation; for example, investors in MLPs may have limited voting rights or be liable under certain circumstances for amounts greater than the amount of their investment. In addition, MLPs may be subject to state taxation in certain jurisdictions which will have the effect of reducing the amount of income paid by the MLP to its investors.
- *Portfolio Turnover Risk*, due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.
- *Short Sale Risk*, selling short may produce higher than normal portfolio turnover, result in increased transaction costs and magnify the potential for both gain and loss to the Fund. In addition, because the Fund's loss on a short sale arises from increases in the value of the security sold short, such loss is theoretically unlimited. By contrast, the Fund's loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot drop below zero.
- *Small and Medium Capitalization Company Risk*, which is the risk that small and medium capitalization companies in which the Fund invests may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, small and medium capitalization companies may have limited product lines, markets and financial resources and may depend upon a relatively small management group. Therefore, small capitalization and medium capitalization stocks may be more volatile than those of larger companies. Small capitalization and medium capitalization stocks may be traded over-the-counter or listed on an exchange.

# About the funds

Consulting Group Advisory Services LLC (“CGAS” or the “Manager”), a business of Morgan Stanley Wealth Management (“MSWM”), serves as the investment adviser for each series of the Morgan Stanley Pathway Funds (the “Trust,” and each series, a “Fund,” and collectively, the “Funds”). The Funds share a “multi-manager” strategy. Other than with respect to the Alternative Strategies Fund, the Manager selects and oversees professional money managers (each a “Sub-adviser,” and collectively, the “Sub-advisers”) who are responsible for investing the assets of the Funds.

The investments and strategies described in this Prospectus are those that CGAS and the Sub-advisers use under normal conditions. During unusual economic or market conditions or for temporary defensive or liquidity purposes, each Fund may invest up to 100% of its assets in cash, money market instruments and other short-term obligations that would not ordinarily be consistent with a Fund’s objectives. A Fund will do so only if CGAS or the Sub-advisers believe that the risk of loss outweighs the opportunity for capital gains or higher income. There is no guarantee that any Fund will achieve its investment objective. Unless otherwise explicitly stated herein, or in the Statement of Additional Information (“SAI”), the investment policies and restrictions of the Funds are not fundamental and may be changed by the Board of Trustees of the Trust (“Board”), upon 60 days’ written notice to shareholders and without shareholder approval.

Currently the Alternative Strategies Fund gets its investment exposure through investments in non-affiliated mutual funds, exchange traded funds or closed end funds (“Underlying Funds”), as determined by CGAS. Over time and depending on the particular facts and circumstances, CGAS may hire sub-advisers to directly manage a portion of the Alternative Strategies Fund’s assets and may eventually move the entire Alternative Strategies Fund’s portfolio to a manager-of-managers model, consistent with other funds within the Trust.

## The multi-manager strategy

Subject to Board review and approval, and in reliance on an exemptive order obtained from the SEC, the Manager selects and oversees professional money managers (the Sub-advisers) who are responsible for investing the assets of the Fund. The exemptive order permits CGAS, with the approval of the Board, to retain unaffiliated sub-advisers for a Fund without submitting the sub-advisory agreements to a vote of the Fund’s shareholders. Among other things, the exemptive order permits the non-disclosure of amounts payable by CGAS under such sub-advisory agreements.

The Sub-advisers are selected based primarily upon the research and recommendation of the Manager, which includes a quantitative and qualitative evaluation of a Sub-adviser’s skills and investment results in managing assets for specific asset classes, investment styles and strategies. The Manager allocates and, when appropriate, reallocates the Fund’s assets

among the Sub-advisers, continuously monitors and evaluates Sub-adviser performance (including trade execution), performs other due diligence functions (such as an assessment of changes in personnel or other developments at the Sub-advisers), and oversees Sub-adviser compliance with the Fund’s investment objectives, policies and guidelines. The Manager also monitors changes in market conditions and considers whether changes in the allocation of Fund assets or the lineup of Sub-advisers should be made in response to such changes in market conditions. Sub-advisers may also periodically recommend changes or enhancements to the Fund’s investment objectives, policies and guidelines, which are subject to the approval of the Manager and may also be subject to the approval of the Board.

The Manager screens a universe of registered investment advisory firms and tracks the performance of these advisory firms. The Manager continually evaluates the strength and performance of these firms, focusing on a number of key issues, which may include:

- level of expertise
- relative performance and consistency of performance
- strict adherence to investment discipline or philosophy
- personnel, facility and financial strength
- quality of service and communication

The Manager employs a rigorous evaluation process to select Sub-advisers that have distinguished themselves through consistent and superior performance. The Manager recommends the portion of assets of each Fund to be managed by each Sub-adviser and may adjust each allocation by up to 10% without Board approval under normal circumstances. During unusual economic or market conditions or in response to developments at one or more Sub-advisers, the Manager may adjust allocations without limitation.

Many of the Funds feature multiple Sub-advisers chosen to complement each other’s specific style of investing.

## About the Morgan Stanley-sponsored investment advisory programs

Shares of the Funds are only available to participants in certain investment advisory programs sponsored by Morgan Stanley. The services offered through these programs may provide investors with asset allocation recommendations, which are implemented through the Funds.

These services generally include:

- evaluating the investor’s investment objectives and time horizon
- analyzing the investor’s risk tolerance
- recommending an allocation of assets among the Funds in the Trust
- providing monitoring reports containing an analysis and evaluation of an investor’s account and recommending any changes

While an investment advisory program makes recommendations, the ultimate investment decision is typically up to the investor and not the provider of the investment advisory program. Under an investment advisory program, an investor typically pays an advisory fee that may vary based on a number of factors. The maximum shareholder fee (in addition to annual fund operating expenses) for assets invested in the Trust through the TRAK Pathway, Consulting Group Advisor, Select UMA or the Portfolio Management investment advisory programs is 2.00% of average quarter-end net assets.

Morgan Stanley Smith Barney, LLC (“the “Distributor”) may make payments for distribution and/or shareholder servicing activities out of its past profits and other available sources. The Distributor may also make payments for marketing, promotional or related expenses to dealers. The amount of these payments is determined by the Distributor and may be substantial. The Manager or an affiliate may make similar payments under similar arrangements.

The payments described above are often referred to as “revenue sharing payments.” The recipients of such payments may include the Distributor and other affiliates of the Manager, broker-dealers, financial institutions and other financial intermediaries through which investors may purchase shares of a Fund. In some circumstances, such payments may create an incentive for an intermediary or its employees or associated persons to recommend or sell shares of a Fund to you. Please contact your financial intermediary for details about revenue sharing payments it may receive.

### **Portfolio holdings**

A description of each Fund’s policies and procedures with respect to the disclosure of its portfolio securities is available in the Fund’s SAI.

# Fund Management

The Manager's address is 2000 Westchester Avenue, Purchase, NY 10577. CGAS was formed as a Delaware corporation on September 21, 2005 and was reorganized as a Delaware limited liability company in May 2009. The Trust's distributor, Morgan Stanley, is an affiliate of the Manager. The Manager was established to match the investment needs of institutional investors and substantial individual investors with appropriate and well qualified investment advisers.

Subject to the review and approval of the Board, and in reliance on an exemptive order obtained from the SEC, the Manager is responsible for selecting, supervising, monitoring and evaluating the Sub-advisers. The Manager may adjust the allocation of a Fund's assets among Sub-advisers by up to 10%. Only the Board can make any adjustment affecting more than 10% of a Fund's assets. The Manager also is responsible for recommending to the Board whether a Sub-adviser should be replaced. The Funds rely upon an exemptive order from the SEC that permits the Manager to select new Sub-advisers or replace existing Sub-advisers without first obtaining shareholder approval. One of the conditions of the exemptive order is that the Board, including a majority of the "non-interested" Trustees, must approve each new Sub-adviser. In accordance with the exemptive order, the Funds will provide

investors with information about each new Sub-adviser within 90 days of the hiring of any new Sub-adviser. The exemptive order also permits the non-disclosure of amounts payable by CGAS to each Sub-adviser.

A discussion regarding the Board's basis for approving the investment advisory and sub-advisory agreements is available in the Trust's Annual Report for the year ended August 31, 2020. For Sub-advisers approved after August 31, 2020, a discussion of the Board's basis for approval of such agreement(s) will be in the Trust's Semi-Annual Report for the period ending February 28, 2021.

**The Sub-advisers.** The Sub-advisers are responsible for the day-to-day investment management of the Funds. The names and addresses of the Sub-advisers, the percentage of Fund assets each Sub-adviser manages and certain information about the Fund manager or portfolio management team for each Fund are set forth below. The Fund's SAI provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of securities in each Fund.

FUND	SUB-ADVISER OR ADVISER	PERCENTAGE	FUND MANAGER/FUND MANAGEMENT TEAM MEMBERS, TITLE, PAST 5 YEARS' BUSINESS EXPERIENCE	FUND MANAGER SINCE
Large Cap Equity Fund	BlackRock Financial Management, Inc. ("BlackRock") Park Avenue Plaza 55 East 52 <sup>nd</sup> St. New York, NY 10055	55%	<b>Rachel Aguirre</b> <b>Director and Senior Portfolio Manager</b> (2005-present). Mrs. Aguirre is Head of Developed Markets Portfolio Engineering. She is responsible for overseeing the management of developed market index equity portfolios for institutional clients within Beta Strategies.	2016
			<b>Jennifer Hsui, CFA®</b> <b>Managing Director and Senior Portfolio Manager</b> (2006-present). Mrs. Hsui is the Head of the Emerging Markets Portfolio Engineering team within BlackRock's ETF and Index Investments Americas business. She is responsible for overseeing the management of Emerging Markets Institutional and iShares funds.	2018
			<b>Alan Mason</b> <b>Managing Director</b> (1991-present). Mr. Mason is the Global Co-Head of Investments, Products, and Markets. He is a member of the Beta Strategies ExCo, Americas ExCo and Global Human Capital Committees and a global sponsor for OUT, the firm's LGBT employee network.	2016



FUND	SUB-ADVISER OR ADVISER	PERCENTAGE	FUND MANAGER/FUND MANAGEMENT TEAM MEMBERS, TITLE, PAST 5 YEARS' BUSINESS EXPERIENCE	FUND MANAGER SINCE
Large Cap Equity Fund (continued)			<b>Suzanne Henige</b> <b>Director and Senior Portfolio Manager</b> (2011-present). Mrs. Henige is a member of BlackRock's ETF and Index Investments (EII) Portfolio Engineering group. She currently leads the Sub-Advised PE team which is responsible for managing US and Developed markets Mutual Funds and Sub-Advised portfolios.	2020
			<b>Amy Whitelaw</b> <b>Managing Director and Senior Portfolio Manager</b> (1999-present). Mrs. Whitelaw is the Head of the America's iShares Equity Portfolio Engineering team within BlackRock's ETF and Index Equity ("EII") team. She is responsible for overseeing the management of the Americas listed US, Canadian, and Latin America iShares equity funds. She leads the EII Americas Inclusion and Diversity Committee. Mrs. Whitelaw also co-chairs BlackRock's Global Women's Initiative Network and formerly co-chaired the Women's Initiative Network on the West Coast.	2017
	ClearBridge Investments, LLC ("ClearBridge") 620 8 <sup>th</sup> Avenue, 48 <sup>th</sup> FL New York, NY 10018	10%	<b>Peter Bourbeau</b> <b>Managing Director and Portfolio Manager</b> (1991-Present). Mr. Bourbeau has 29 years of investment industry experience.	2017
			<b>Margaret Vitrano</b> <b>Managing Director and Portfolio Manager</b> (1997-Present). Ms. Vitrano has 24 years of investment industry experience.	2017
	Columbia Management Investment Advisers, LLC ("Columbia") 225 Franklin Street Boston, MA 02110	8%	<b>Richard Carter</b> <b>Senior Portfolio Manager</b> (2009-present). Mr. Carter joined one of the Columbia legacy firms or acquired business lines in 2003. Mr. Carter began his investment career in 1993 and earned a B.A. from Connecticut College.	2016
			<b>Thomas Galvin, CFA®</b> <b>Lead Portfolio Manager and Head of Focused Large Cap Growth</b> (2003-present). Mr. Galvin joined one of the Columbia legacy firms or acquired business lines in 2003. Mr. Galvin began his investment career in 1983 and earned an undergraduate degree in finance from Georgetown University and M.B.A. from New York University.	2016
			<b>Todd Herget</b> <b>Senior Portfolio Manager</b> (2009-present). Mr. Herget joined one of the Columbia legacy firms or acquired business lines in 1998. Mr. Herget began his investment career in 1998 and earned a B.S. from Brigham Young University and an M.B.A. from the University of Notre Dame.	2016

FUND	SUB-ADVISER OR ADVISER	PERCENTAGE	FUND MANAGER/FUND MANAGEMENT TEAM MEMBERS, TITLE, PAST 5 YEARS' BUSINESS EXPERIENCE	FUND MANAGER SINCE
Large Cap Equity Fund (continued)	Delaware Investments Fund Advisers, a member of Macquarie Investment Management Business Trust ("MIM") 2005 Market Street Philadelphia, PA 19103	13%	<b>Kristen E. Bartholdson</b> <b>Vice President and Senior Portfolio Manager</b> (2006-present). Ms. Bartholdson is a senior portfolio manager for MIMs Large-Cap Value team.	2016
			<b>Nikhil G. Lalvani, CFA®</b> <b>Vice President, Senior Portfolio Manager and Team Leader</b> (1997-present). Mr. Lalvani is the team leader and a senior portfolio manager for MIM's Large-Cap Value team. At MIM, he has worked as both a fundamental and quantitative analyst.	2016
			<b>Robert A. Vogel Jr., CFA®</b> <b>Vice President and Senior Portfolio Manager</b> (2004-present). Mr. Vogel is a senior portfolio manager for MIM's Large-Cap Value team.	2016
			<b>Erin Ksenak</b> <b>Vice President and Associate Portfolio Manager</b> (2017-present). Erin Ksenak is an associate portfolio manager on the firm's US Large Cap Value Equity team, a role she assumed in December 2019.	2019
	Lazard Asset Management LLC ("Lazard") 30 Rockefeller Plaza 57 <sup>th</sup> Floor New York, NY 10112	9%	<b>Christopher Blake</b> <b>Managing Director and Portfolio Manager/Analyst</b> (1995-present). Mr. Blake is a Managing Director and Portfolio Manager/Analyst on various US equity strategies.	2016
			<b>Martin Flood</b> <b>Managing Director and Portfolio Manager/Analyst</b> (1993-present). Mr. Flood is a Managing Director and Portfolio Manager/Analyst on various US and global equity strategies, focusing on client communications.	2016
	Lyrical Asset Management LP ("Lyrical") 250 West 55 <sup>th</sup> Street, 37 <sup>th</sup> Floor New York, NY 10019	5%	<b>John Mullins</b> <b>Associate Portfolio Manager</b> (2017-present).	2019
			<b>David Roeske</b> <b>Associate Portfolio Manager</b> (2014-present).	2017
			<b>Andrew Wellington</b> <b>Managing Partner and Chief Investment Officer</b> (2008-present).	2016
			<b>Dan Kaskawits</b> <b>Associate Portfolio Manager</b> (2018-present).	2019

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Small-Mid Cap Equity Fund	Aristotle Capital Boston, LLC ("Aristotle") One Federal Street, 36 <sup>th</sup> Floor Boston, MA 02110	15%	<b>David Adams, CFA®</b> <b>CEO and Portfolio Manager</b> (2015-Present). Mr. Adams co-manages the Aristotle Boston SMID Strategy and is responsible for the day-to-day management of the strategy along with Mr. McPherson.	2019
			<b>Jack McPherson, CFA®</b> <b>President and Portfolio Manager</b> (2015-Present). Mr. McPherson co-manages the Aristotle Boston SMID Strategy and is responsible for the day-to-day management of the strategy along with Mr. Adams.	2019
	BlackRock Financial Management, Inc. ("BlackRock") Park Avenue Plaza 55 East 52 <sup>nd</sup> St. New York, NY 10055	42%	<b>Rachel Aguirre</b> <b>Director and Senior Portfolio Manager</b> (2005-present). Mrs. Aguirre is Head of Developed Markets Portfolio Engineering. She is responsible for overseeing the management of developed market index equity portfolios for institutional clients within Beta Strategies.	2016
			<b>Jennifer Hsui, CFA®</b> <b>Managing Director and Senior Portfolio Manager</b> (2006-present). Mrs. Hsui is the Head of the Emerging Markets Portfolio Engineering team within BlackRock's ETF and Index Investments Americas business. She is responsible for overseeing the management of Emerging Markets Institutional and iShares funds.	2018
			<b>Alan Mason</b> <b>Managing Director</b> (1991-present). Mr. Mason is the Global Co-Head of Investments, Products, and Markets. He is a member of the Beta Strategies ExCo, Americas ExCo and Global Human Capital Committees and a global sponsor for OUT, the firm's LGBT employee network.	2016
			<b>Suzanne Henige</b> <b>Director and Senior Portfolio Manager</b> (2011-present). Mrs. Henige is a member of BlackRock's ETF and Index Investments (EII) Portfolio Engineering group. She currently leads the Sub-Advised PE team which is responsible for managing US and Developed markets Mutual Funds and Sub-Advised portfolios.	2020

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Small-Mid Cap Equity Fund (continued)			<b>Amy Whitelaw</b> <b>Managing Director and Senior Portfolio Manager</b> (1999-present). Mrs. Whitelaw is the Head of the America's iShares Equity Portfolio Engineering team within BlackRock's ETF and Index Equity ("EII") team. She is responsible for overseeing the management of the Americas listed US, Canadian, and Latin America iShares equity funds. She leads the EII Americas Inclusion and Diversity Committee. Mrs. Whitelaw also co-chairs BlackRock's Global Women's Initiative Network and formerly co-chaired the Women's Initiative Network on the West Coast.	2017
	D.F. Dent & Company, Inc. ("DF Dent") 400 E. Pratt St. #720 Baltimore, MD 21202	10%	<b>Matthew F. Dent, CFA®</b> <b>President</b> (2001-present). Mr. Dent has served as a portfolio manager on the strategy since 2001.	2019
			<b>Bruce L. Kennedy II, CFA®</b> <b>Vice President</b> (2007-present). Mr. Kennedy has served as a portfolio manager on the strategy since 2007.	2019
			<b>Gary D. Mitchell</b> <b>Vice President</b> (2005-present). Mr. Mitchell has served as a portfolio manager on the strategy since 2005.	2019
			<b>Thomas F. O'Neil, Jr, CFA®</b> <b>Vice President</b> (1987- present). Mr. O'Neil has served as a portfolio manager on the strategy since its inception in 1987.	2019
	Neuberger Berman Investment Advisers LLC ("Neuberger") 1290 6 <sup>th</sup> Avenue New York, NY 10104	11%	<b>Benjamin H. Nahum</b> <b>Managing Director</b> (2008-present). Mr. Nahum is the portfolio manager for the Neuberger Berman Small Cap Intrinsic Value Strategy.	2016
	Nuance Investments, LLC ("Nuance") 4900 Main St. #220 Kansas City, MO 64112	12%	<b>Chad Baumler, CFA®</b> <b>Vice President and Senior Portfolio Manager</b> (2014-present). Mr. Baumler focuses his analytical skills on the Energy and Finance sectors. Chad has over 14 years of investment analyst experience, and 7 years of portfolio management experience using a classic value approach.	2019
			<b>Scott Moore, CFA®</b> <b>President and CIO</b> (2008-Present). Mr. Moore has more than 28 years of investment experience and more than 20 years of portfolio management experience using a classic value approach. Prior to founding Nuance Investments, LLC in 2008, Mr. Moore served as vice president and senior portfolio manager at American Century Investment Management, Inc. from 1999 to 2008.	2019

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Small-Mid Cap Equity Fund (continued)			<b>Darren Schryer, CFA®, CPA</b> <b>Associate Portfolio Manager</b> (2016-Present). Mr. Schryer focuses his analytical skills on the healthcare, communication services, and information technology sectors. Before joining Nuance in 2016, Darren was a Managing Director and Portfolio Manager for the MBA Investment Fund at the University of Texas, McCombs School of Business.	
	Westfield Capital Management Company, L.P. ("Westfield") One Financial Center 23 <sup>rd</sup> Floor Boston, MA 02111	10%	<b>Richard D. Lee, CFA®</b> <b>Managing Partner and Deputy CIO</b> (2004-present). Mr. Lee covers Hardware, Semiconductors and IT Services.	2004
			<b>Ethan J. Meyers, CFA®</b> <b>Managing Partner and Director of Research</b> (1999-present). Mr. Meyers covers Financial, Technology and Business Services.	2004
			<b>John M. Montgomery</b> <b>Managing Partner, COO and Portfolio Strategist</b> (2006-present). Mr. Montgomery manages portfolio and investment process strategy at Westfield.	2006
			<b>William A. Muggia</b> <b>President, CEO and CIO</b> (1994-present). Mr. Muggia covers Healthcare and Energy, as well as provides overall market strategy.	2004
International Equity Fund	BlackRock Financial Management, Inc. ("BlackRock") Park Avenue Plaza 55 East 52 <sup>nd</sup> St. New York, NY 10055	25%	<b>Rachel Aguirre</b> <b>Director and Senior Portfolio Manager</b> (2005-present). Mrs. Aguirre is Head of Developed Markets Portfolio Engineering. She is responsible for overseeing the management of developed market index equity portfolios for institutional clients within Beta Strategies.	2016
			<b>Jennifer Hsui, CFA®</b> <b>Managing Director and Senior Portfolio Manager</b> (2006-present). Mrs. Hsui is the Head of the Emerging Markets Portfolio Engineering team within BlackRock's ETF and Index Investments Americas business. She is responsible for overseeing the management of Emerging Markets Institutional and iShares funds.	2018
			<b>Alan Mason</b> <b>Managing Director</b> (1991-Present). Mr. Mason is the Global Co-Head of Investments, Products, and Markets. He is a member of the Beta Strategies ExCo, Americas ExCo and Global Human Capital Committees and a global sponsor for OUT, the firm's LGBT employee network.	2016



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International Equity Fund (continued)			<b>Suzanne Henige</b> <b>Director and Senior Portfolio Manager</b> (2011-present). Mrs. Henige is a member of BlackRock's ETF and Index Investments (EII) Portfolio Engineering group. She currently leads the Sub-Advised PE team which is responsible for managing US and Developed markets Mutual Funds and Sub-Advised portfolios.	2020
			<b>Amy Whitelaw</b> <b>Managing Director and Senior Portfolio Manager</b> (1999-present). Mrs. Whitelaw is the Head of the America's iShares Equity Portfolio Engineering team within BlackRock's ETF and Index Equity ("EII") team. She is responsible for overseeing the management of the Americas listed US, Canadian, and Latin America iShares equity funds. She leads the EII Americas Inclusion and Diversity Committee. Mrs. Whitelaw also co-chairs BlackRock's Global Women's Initiative Network and formerly co-chaired the Women's Initiative Network on the West Coast.	2017
	Causeway Capital Management LLC ("Causeway") 11111 Santa Monica Blvd. 15 <sup>th</sup> Floor Los Angeles, CA 90025	17%	<b>Alessandro Valentini, CFA®</b> <b>Portfolio Manager</b> (2013-present). Mr. Valentini is a portfolio manager of Causeway and is responsible for investment research in the global health care and financials sectors. He joined the firm in July 2006 and has been a portfolio manager since April 2013.	2014
			<b>Jonathan P. Eng</b> <b>Portfolio Manager</b> (2002-present). Mr. Eng is a director of Causeway and is responsible for investment research in the global consumer discretionary, industrials and materials sectors. He joined the firm in July 2001 as a research associate and has been a portfolio manager since February 2002.	2014
			<b>Harry W. Hartford</b> <b>President and Portfolio Manager</b> (2001-present). Mr. Hartford is the president of Causeway, portfolio manager for the firm's fundamental and absolute return strategies, and director of research. He co-founded the firm in June 2001.	2014
			<b>Sarah H. Ketterer</b> <b>Chief Executive Officer and Portfolio Manager</b> (2001-present). Ms. Ketterer is the chief executive officer of Causeway, portfolio manager for the firm's fundamental and absolute return strategies and is responsible for investment research across all sectors. She co-founded the firm in June 2001.	2014

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International Equity Fund (continued)		17%	<b>Ellen Lee</b> <b>Portfolio Manager</b> (2007-present). Ms. Lee is a director of Causeway and is responsible for investment research in the energy and global utilities sectors. Ms. Lee joined the firm in August 2007 as a research associate and has been a portfolio manager since January 2015.	2015
			<b>Conor S. Muldoon, CFA®</b> <b>Portfolio Manager</b> (2010-present). Mr. Muldoon is a director of Causeway and is responsible for investment research in the global financials and materials sectors. He joined the firm in August 2003 as a research associate and has been a portfolio manager since September 2010.	2014
			<b>Steven Nguyen</b> <b>Portfolio Manager</b> (2019-present). Mr. Nguyen is a director of Causeway and is responsible for investment research in the global energy, utilities and health care sectors. He joined the firm in April 2012 as a research associate and has been a portfolio manager since January 2019.	2019
			<b>Robert B. Dunphy, CFA®</b> <b>Senior Portfolio Manager</b> (2012-present). Mr. Dunphy is a Senior Portfolio Manager for the Invesco Oppenheimer International Growth strategy. Mr. Dunphy joined Invesco when the firm combined with OppenheimerFunds in 2019. Prior to joining OppenheimerFunds in 2004, he worked as a lead analyst at Nextel Communications. Prior to that, he worked as an analyst at Seneca Financial. Mr. Dunphy has been in the industry since 2001. Mr. Dunphy earned a BSFS degree in international economics from Georgetown University and an MS degree in finance from London Business School. He is a Chartered Financial Analyst® (CFA) charterholder.	2014
			<b>George R. Evans, CFA®</b> <b>Chief Investment Officer- Equities and Senior Portfolio Manager</b> (1996-present). Mr. Evans is the Chief Investment Officer of OFI Equities for Invesco. He joined Invesco when the firm combined with Oppenheimer Funds in 2019. Prior to joining OppenheimerFunds in 1990, Mr. Evans served for three years as a securities analyst and portfolio manager in the international equities department at Brown Brothers Harriman. Mr. Evans earned a BA and MA degree from Oxford University and an MBA from The Wharton School of the University of Pennsylvania. He is a Chartered Financial Analyst® (CFA) charter holder.	2014
	Invesco Advisers, Inc. ("Invesco") 1555 Peachtree Street, N.E. Atlanta, GA 30309			

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International Equity Fund (continued)	Schroder Investment Management North America Inc. ("Schroders") 7 Bryant Park New York, NY 10018	16%	<b>James Gautrey, CFA®</b> <b>Portfolio Manager</b> (2001-present). Mr. Gautrey became a portfolio manager for International Equities at Schroders in 2014. He began his career in 2001 with Schroders.	2014
			<b>Simon Webber, CFA®</b> <b>Portfolio Manager</b> (1999-present). Mr. Webber has been a portfolio manager of the fund since 2011. He joined Schroders as a research analyst in 1999.	2011
	Victory Capital Management Inc. ("Victory Capital") 15935 La Cantera Parkway San Antonio, TX 78256	10%	<b>Daniel B. LeVan, CFA®</b> <b>Chief Investment Officer of Trivalent Investments, a Victory Capital investment franchise</b> (2014-Present). From 2007-2014, Mr. LeVan was a Senior Portfolio Manager of Munder Capital Management, which was acquired by Victory Capital in 2014.	2017
			<b>John W. Evers, CFA®</b> <b>Senior Portfolio Manager</b> (2014-Present). From 2007-2014, Mr. Evers was a Senior Portfolio Manager of Munder Capital Management, which was acquired by Victory Capital in 2014.	2017
	Wellington Management Company, LLP ("Wellington") 280 Congress St. Boston, MA 02110	15%	<b>Andrew M. Corry, CFA®</b> <b>Senior Managing Director and Equity Portfolio Manager</b> (1997-Present). Mr. Corry joined Wellington as an Investment Professional in 1997.	2017
			<b>James H. Shakin, CFA®</b> <b>Senior Managing Director and Equity Portfolio Manager</b> (1986-Present). Mr. Shakin joined Wellington as an Investment Professional in 1986.	2017
Emerging Markets Equity Fund	BlackRock Financial Management, Inc. ("BlackRock") Park Avenue Plaza 55 East 52 <sup>nd</sup> St. New York, NY 10055	25%	<b>Rachel Aguirre</b> <b>Director and Senior Portfolio Manager</b> (2005-Present). Mrs. Aguirre is Head of Developed Markets Portfolio Engineering. She is responsible for overseeing the management of developed market index equity portfolios for institutional clients within Beta Strategies.	2016
			<b>Jennifer Hsui, CFA®</b> <b>Managing Director and Senior Portfolio Manager</b> (2006-present). Mrs. Hsui is the Head of the Emerging Markets Portfolio Engineering team within BlackRock's ETF and Index Investments Americas business. She is responsible for overseeing the management of Emerging Markets Institutional and iShares funds.	2018

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Emerging Markets Equity Fund (continued)			<b>Alan Mason</b> <b>Managing Director</b> (1991-present). Mr. Mason is the Global Co-Head of Investments, Products, and Markets. He is a member of the Beta Strategies ExCo, Americas ExCo and Global Human Capital Committees and a global sponsor for OUT, the firm's LGBT employee network.	2016
			<b>Suzanne Henige</b> <b>Director and Senior Portfolio Manager</b> (2011-present). Mrs. Henige is a member of BlackRock's ETF and Index Investments (EII) Portfolio Engineering group. She currently leads the Sub-Advised PE team which is responsible for managing US and Developed markets Mutual Funds and Sub-Advised portfolios.	2020
			<b>Amy Whitelaw</b> <b>Managing Director and Senior Portfolio Manager</b> (1999-present). Mrs. Whitelaw is the Head of the America's iShares Equity Portfolio Engineering team within BlackRock's ETF and Index Equity ("EII") team. She is responsible for overseeing the management of the Americas listed US, Canadian, and Latin America iShares equity funds. She leads the EII Americas Inclusion and Diversity Committee. Mrs. Whitelaw also co-chairs BlackRock's Global Women's Initiative Network and formerly co-chaired the Women's Initiative Network on the West Coast.	2017
	Lazard Asset Management LLC ("Lazard") 30 Rockefeller Plaza 57 <sup>th</sup> Floor New York, NY 10112	37.5%	<b>Rohit Chopra</b> <b>Managing Director and Portfolio Manager/Analyst</b> (1999-present). Mr. Chopra is a Portfolio Manager/ Analyst on the Emerging Markets Equity team, focusing on consumer and telecommunications research and analysis.	2009
			<b>James M. Donald, CFA®</b> <b>Managing Director, Portfolio Manager/Analyst and Head of Emerging Markets</b> (1996-present). Mr. Donald is a Managing Director and Head of Emerging Markets and Portfolio Manager/Analyst on the Emerging Markets Equity team. He is also a member of the International Equity Select with Emerging Markets team.	2009

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Emerging Markets Equity Fund (continued)	Van Eck Associates Corporation ("VanEck") 666 Third Avenue New York, NY 10017	37.5%	<b>John R. Reinsberg</b> <b>Deputy Chairman, Portfolio Manager/Analyst and Head of International and Global Strategies</b> (1992-present). Mr. Reinsberg is Deputy Chairman of Lazard Asset Management LLC and Head of International and Global Strategies. He is also a Portfolio Manager/ Analyst on the Global Equity and International Equity portfolio teams.	2009
			<b>Monika Shrestha</b> <b>Director and Portfolio Manager/Analyst</b> (2003-present). Ms. Shrestha is a Portfolio Manager/ Analyst on the Emerging Markets Equity team, responsible for research coverage of companies in the financial sector.	2015
			<b>Ganesh Ramachandran</b> <b>Portfolio Manager/Analyst</b> (1997-present) Mr. Ramachandran is a Portfolio Manager/ Analyst on the Emerging Income and Emerging Markets Equity teams.	2020
			<b>David Semple</b> <b>Portfolio Manager</b> (2002-present). Mr. Semple is the Portfolio Manager of the strategy and is responsible for asset allocation and stock selection in global emerging markets.	2016
			<b>Angus Shillington</b> <b>Deputy Portfolio Manager</b> (2014-present). Mr. Shillington is a Deputy Portfolio Manager of the strategy. Prior to that, he was a Senior Analyst at VanEck from 2009-2014.	2016
Core Fixed Income Fund	BlackRock Financial Management, Inc. ("BlackRock") Park Avenue Plaza 55 East 52 <sup>nd</sup> St. New York, NY 10055	33%	<b>David Antonelli</b> <b>Director and Portfolio Manager</b> (2006-present). Mr. Antonelli is a portfolio manager in the Multi-sector and Mortgages Group within BlackRock Fundamental Fixed Income. He is a portfolio manager on the Institutional Multi-Sector Portfolio Team. Prior to that, he was a member of the Operations group (2002-2006).	2012
			<b>Akiva Dickstein</b> <b>Managing Director and Portfolio Manager</b> (2009-present). Mr. Dickstein, Managing Director, is Head of Customized Multi-Sector Portfolios and co-Head of Global Inflation Linked Portfolios within BlackRock's Global Fixed Income (GFI) group, and a member of the Global Fixed Income executive team. He is also a portfolio manager of BlackRock's Core Bond Fund. Prior to taking his current responsibilities, Mr. Dickstein was the lead portfolio manager on BlackRock's mortgage portfolios.	2014



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Core Fixed Income Fund (continued)	Metropolitan West Asset Management, LLC ("MetWest") 865 South Figueroa Street Los Angeles, CA 90017	33%	<b>Stephen Kane, CFA®</b> <b>Generalist Portfolio Manager</b> (1996-present).	2007
			<b>Laird Landmann</b> <b>Generalist Portfolio Manager</b> (1996-present).	2007
			<b>Tad Rivelle</b> <b>Chief Investment Officer and Generalist Portfolio Manager</b> (1996-present).	2007
			<b>Bryan Whalen, CFA®</b> <b>Generalist Portfolio Manager</b> (2004-present).	2007
	Western Asset Management Company ("Western") 385 E. Colorado Blvd. Pasadena, CA 91101	34%	<b>Michael C. Buchanan, CFA®</b> <b>Deputy Chief Investment Officer</b> (2005-present). Mr. Buchanan is the Deputy Chief Investment Officer at Western and supports the US Broad Market Investment Team.	2005
			<b>S. Kenneth Leech</b> <b>Chief Investment Officer</b> (1990-present). Mr. Leech is the Chief Investment Officer at Western and supports the US Broad Market Investment Team.	2014
			<b>Chia-Liang Lian, CFA®</b> <b>Portfolio Manager</b> (2011-present). Prior to joining Western., Mr. Lian was Head of Emerging Asia Portfolio Management at PIMCO (2005-2011).	2015
			<b>Mark S. Lindbloom</b> <b>Portfolio Manager</b> (2005-present). Mr. Lindbloom leads the US Broad Market Investment Team.	2008
High Yield Fund	Eaton Vance Management ("Eaton Vance") 2 International Place Boston, MA 02110	50%	<b>Kelley Baccei</b> <b>Vice President and Portfolio Manager</b> (2005-Present). Ms. Baccei is a Vice President and Portfolio Manager for Eaton Vance.	2016
			<b>Stephen Concannon, CFA®</b> <b>Vice President and Portfolio Manager</b> (2000-Present). Mr. Concannon is a Vice President and Portfolio Manager for Eaton Vance.	2016

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High Yield Fund (continued)	Western Asset Management Company ("Western") 385 E. Colorado Blvd Pasadena, CA 91101	50%	<b>Michael C. Buchanan, CFA®</b> <b>Deputy Chief Investment Officer</b> (2005-present). Mr. Buchanan is the primary portfolio manager for Western's US High Yield portfolios.	2005
			<b>Walter E. Kilcullen</b> <b>Portfolio Manager</b> (2002-Present). Mr. Kilcullen is responsible for the day-to-day strategic oversight of his respective strategies as well as supervising the operations of various sector teams dedicated to the asset classes in which the strategy invests.	2017
			<b>S. Kenneth Leech</b> <b>Chief Investment Officer</b> (1990-present). Mr. Leech is responsible for the day-to-day strategic oversight of his respective strategies as well as supervising the operations of various sector teams dedicated to the asset classes in which the strategy invests.	2014
International Fixed Income Fund	Pacific Investment Management Company LLC ("PIMCO") 650 Newport Center Drive Newport Beach, CA 92660	100%	<b>Sachin Gupta</b> <b>Managing Director and Portfolio Manager</b> (2003-Present). Mr. Gupta is a managing director in the Newport Beach office, global portfolio manager and head of the global desk. He is a member of the Asia-Pacific Portfolio Committee and Emerging Markets Portfolio Committee. Previously, he was in PIMCO's London office managing European liability driven investment (LDI) portfolios and served on the European Portfolio Committee. Before that, he was part of PIMCO's global portfolio management team in the Singapore office. In these roles, he focused on investments in government bonds, foreign exchange and interest rate derivatives across global markets. Prior to joining PIMCO in 2003, he was in the fixed income and currency derivatives group at ABN AMRO Bank. He has 23 years of investment experience and holds an MBA from XLRI, India. He received an undergraduate degree from Indian Institute of Technology, Delhi. He is a director of The Global Foodbanking Network, an international nonprofit that is working towards a hunger-free future in more than 30 countries.	2014

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Municipal Bond Fund	BlackRock Financial Management, Inc. ("BlackRock") Park Avenue Plaza 55 East 52 <sup>nd</sup> St. New York, NY 10055	100%	<b>Michael Kalinoski, CFA®</b> <b>Director</b> (1999-Present). Mr. Kalinoski's is a portfolio manager on the Municipal Mutual Fund Desk within BlackRock's Municipal Fixed Income business in BlackRock's Portfolio Management Group. Mr. Kalinoski's service with the firm dates back to 1999, including his years with Merrill Lynch Investment Managers (MLIM), which merged with BlackRock in 2006. At MLIM, he was a member of the tax-exempt fixed income team responsible for managing a number of national and state funds. Prior to joining MLIM in 1999, Mr. Kalinoski was a municipal trader with Strong Capital Management. Mr. Kalinoski earned a Bachelor of Science in Accounting from Marquette University in 1992.	2019
			<b>Kevin Maloney, CFA®</b> <b>Vice President</b> (2011-Present). Mr. Maloney is a Portfolio Manager for the mutual fund desk within the Municipal Fixed Income business in BlackRock's Portfolio Management Group. Mr. Maloney began his career at BlackRock in 2011 as an Analyst on the Municipal Credit Research Team. He currently serves as a Portfolio Manager for the Municipal Mutual Fund Desk within BlackRock's Global Fixed Income Group. Mr. Maloney graduated from Drexel University in 2011 with a Bachelor of Science in Finance.	2019
Inflation-Linked Fixed Income Fund	Pacific Investment Management Company LLC ("PIMCO") 650 Newport Center Drive Newport Beach, CA 92660	100%	<b>Daniel He</b> <b>Senior Vice President and Real Return Portfolio Manager</b> (2011-Present). Mr. He is a senior executive vice president and portfolio manager in the Newport Beach office. He is currently a member of the liquid products group specializing in real return and mortgage-backed securities and serves as a member of Americas portfolio committee. Previously, he was a member of the global rates desk focusing on government bonds, foreign exchange, and interest rate derivatives. Prior to joining PIMCO in 2011, he structured and traded derivative strategies in foreign exchange and interest rates for a global macro hedge fund in Singapore. He has 15 years of investment experience and holds an MBA from the University of Chicago Booth School of Business. He also holds a master's degree in financial engineering and an undergraduate degree in computer science from the National University of Singapore.	2019

FUND	SUB-ADVISER OR ADVISER	PERCENTAGE	FUND MANAGER/FUND MANAGEMENT TEAM MEMBERS, TITLE, PAST 5 YEARS' BUSINESS EXPERIENCE	FUND MANAGER SINCE
<b>Inflation-Linked Fixed Income Fund</b> (continued)			<b>Steve Rodosky</b> <b>Managing Director and Real Return Portfolio Manager</b> (2001-Present). Mr. Rodosky is a managing director in the Newport Beach office and a portfolio manager for real return and U.S. long duration strategies. He leads the rates liquid products team and also serves as head of talent management for portfolio management in the U.S. Prior to joining PIMCO in 2001, Mr. Rodosky was vice president of institutional sales with Merrill Lynch. He has 26 years of investment experience and holds a master's degree in financial markets from Illinois Institute of Technology. He received an undergraduate degree from Villanova University.	2019
<b>Ultra-Short Term Fixed Income Fund</b>	Pacific Investment Management Company LLC ("PIMCO") 650 Newport Center Drive Newport Beach, CA 92660	100%	<b>Jerome M. Schneider</b> <b>Managing Director and Portfolio Manager</b> (2008-present). Mr. Schneider is a managing director in the Newport Beach office and head of short-term portfolio management and funding. Morningstar named him Fixed-Income Fund Manager of the Year (U.S.) for 2015. Prior to joining PIMCO in 2008, Mr. Schneider was a senior managing director with Bear Stearns. There he most recently specialized in credit and mortgage-related funding transactions and helped develop one of the first "repo" conduit financing companies. Additionally, during his tenure at Bear Stearns he held various positions on the municipal and fixed income derivatives trading desks. He has 25 years of investment experience and holds an undergraduate degree in economics and international relations from the University of Pennsylvania and an MBA from the Stern School of Business at New York University.	Since Inception
<b>Alternative Strategies Fund</b>	Consulting Group Advisory Services LLC ("CGAS") 2000 Westchester Avenue Purchase, NY 10577	100%	<b>Zachary Apoian</b> <b>Executive Director</b> Mr. Apoian is an Executive Director and Head of Portfolio and Model Risk Management at Morgan Stanley Wealth Management Investment Resources. Prior to that, Mr. Apoian was a private wealth advisor at Morgan Stanley Wealth Management. Mr. Apoian has also served as an investment officer of the Funds since 2019.	2019
			<b>Sukru Saman</b> <b>Executive Director</b> (2014-present) Mr. Saman has been an investment officer and portfolio manager within Morgan Stanley Wealth Management since 2014. Prior to that, Sukru Saman was a due diligence analyst within Morgan Stanley Wealth Management.	Since Inception

**Management Fees.** The Manager receives a management fee from each Fund for its services. In turn, the Manager pays each Sub-adviser a fee for its sub-advisory services. The Manager may voluntarily waive a portion or all of the management fees otherwise payable to it by a Fund. The chart below shows the contractual management fees for each Fund and the actual management fees paid to the Manager for the fiscal year ended August 31, 2020, based on a percentage of average daily net assets:

FUND	CONTRACTUAL MANAGEMENT FEE	ACTUAL MANAGEMENT FEE PAID DURING MOST RECENT FISCAL YEAR
Large Cap Equity Fund	0.60%	0.39%
Small-Mid Cap Equity Fund	0.80%	0.46%
International Equity Fund	0.70%	0.54%
Emerging Markets Equity Fund	0.90%	0.59%
Core Fixed Income Fund	0.40%	0.38%
High Yield Fund	0.70%	0.49%
International Fixed Income Fund	0.50%	0.45%
Municipal Bond Fund	0.40%	0.40%
Inflation-Linked Fixed Income Fund	0.50%	0.45%
Ultra-Short Term Fixed Income Fund	0.50%	0.45%
Alternative Strategies Fund	1.20%	0.20%

**Potential Conflicts of Interest.** The management fees paid by each Fund to the Manager and the sub-advisory fees paid by the Manager to each Sub-adviser vary depending upon the Fund. The Manager intends to comply with the standards of fiduciary duty that require it to act solely in the best interest of a participant when making such investment recommendations and to avoid any conflict of interest. Due to the structure of its contractual fee waiver, which was designed to mitigate potential conflicts of interest, the Manager will not retain a larger portion of its management fees for any Fund, relative to any other Fund.

The SAI provides additional information about each Sub-adviser, including more information about their investment strategies and techniques, compensation paid to each Sub-adviser's portfolio manager(s), other accounts managed by such portfolio managers and the portfolio managers' ownership of the Fund's shares.

Morgan Stanley affiliates, including their directors, officers or employees, may have banking or investment banking relationships with the issuers of securities that are held in the Funds. They may also own the securities of these issuers. However, in making investment decisions for the Funds, the Manager does not obtain or use inside information acquired by

any division, department or affiliate of Morgan Stanley in the course of those relationships. To the extent the Funds acquire securities from an issuer that has a borrowing or other relationship with Morgan Stanley or its affiliates, the proceeds of the purchase may be used to repay such borrowing or otherwise benefit Morgan Stanley and/or its affiliates.

Additional information regarding various former or current affiliates of, or predecessors to, CGAS or Morgan Stanley is included in the Trust's Annual Report and the Form ADV of CGAS.



# Investment and account information

## Account transactions

**Purchase of shares.** You may purchase shares of a Fund if you are a participant in an advisory program sponsored by Morgan Stanley. You may establish a brokerage account with Morgan Stanley free of charge in order to purchase shares of a Fund.

- The minimum initial aggregate investment in the Morgan-Stanley-sponsored investment advisory programs is \$1,000.
- The minimum investment in a Fund is \$100. In other words, in order to invest in the Fund through your Morgan Stanley-sponsored investment advisory program, you must allocate at least \$100 of your investment advisory program assets to the Fund.
- There is no minimum on additional investments in the Fund or the applicable investment advisory program through which you invest.
- Each of the Fund and the Morgan Stanley-sponsored investment advisory programs through which investments in the Fund are offered may vary or waive these investment minimums at any time.

Shares of the Funds are sold at net asset value per share ("NAV") without imposition of a sales charge but will be subject to any applicable advisory program fee. You may buy shares of a Fund at NAV on any day the NYSE is open by contacting your broker. All orders to purchase received by Morgan Stanley before 4:00 p.m. Eastern time will receive that day's share price. Orders received after 4:00 p.m. will receive the next day's share price. If the NYSE closes early, the Funds may accelerate transaction deadlines accordingly. All purchase orders must be in good order to be accepted. This means you have provided the following information:

- Name of the Fund
- Your account number
- Dollar amount or number of shares to be purchased
- Signatures of each owner exactly as the account is registered

Each Fund reserves the right to reject purchase orders or to stop offering its shares without notice. No order will be accepted unless Morgan Stanley has received and accepted an advisory agreement signed by the investor participating in a Morgan Stanley-sponsored investment advisory program. Orders may only be accepted from investors who maintain a brokerage account with Morgan Stanley. Payment for shares must be received by Morgan Stanley within three business days after the order is placed in good order.

**Customer Identification Program.** Federal law requires the Trust to obtain, verify and record identifying information, which will be reviewed solely for customer identification purposes, which may include the name, residential or business street address, date of birth (for an individual), Social Security Number or taxpayer identification number or other information, for each investor who opens an account directly with the Trust. Applications without the required information may not be

accepted. After accepting an application, to the extent permitted by applicable law or its customer identification program, the Trust reserves the right to: (i) place limits on transactions in any account until the identity of the investor is verified; (ii) refuse an investment in the Trust; or (iii) involuntarily redeem an investor's shares and close an account in the event that the Trust is unable to verify an investor's identity. The Trust has appointed an anti-money laundering officer to administer this process. The Trust will not be responsible for any loss in an investor's account resulting from the investor's delay in providing all required information or from closing an account and redeeming an investor's shares pursuant to the customer identification program.

**Redemption of shares.** You may sell shares of a Fund at NAV on any day the NYSE is open by contacting your broker. All redemption requests accepted by Morgan Stanley before 4:00 p.m. Eastern time on any business day will be executed at that day's share price. Orders accepted after 4:00 p.m. will be executed at the next day's price. If the NYSE closes early, the Funds may accelerate transaction deadlines accordingly. All redemption orders must be in good form, which may require a signature guarantee (available from most banks, dealers, brokers, credit unions and federal savings and loan associations, but not from a notary public) to assure the safety of your account. If you discontinue your Morgan Stanley advisory service, you must redeem your shares in the Funds. The Funds are available only to investors in Morgan Stanley-sponsored investment advisory programs. If any account does not meet this or any other eligibility requirement, we reserve the right to liquidate such account.

In certain circumstances, the Board of Trustees may determine that it would be detrimental to the best interests of a Fund's shareholders to make a redemption payment wholly in cash. In such situations, the Fund may pay a portion of a shareholder redemption request by a distribution in-kind of readily marketable portfolio securities, subject to applicable laws and regulations and the policies of the Trust. Shareholders receiving distributions in-kind may incur brokerage commissions when subsequently disposing of those securities.

Each Fund has the right to suspend redemptions of shares and to postpone the transmission of redemption proceeds to a shareholder's account at Morgan Stanley for up to seven days, as permitted by law. For example, the Funds may suspend the shareholders' right to redeem their shares if the NYSE restricts trading, the SEC declares an emergency or for similar reasons permitted by law. Redemption proceeds held in an investor's brokerage account generally will not earn any income and Morgan Stanley may benefit from the use of temporarily uninvested funds. A shareholder who pays for shares of a Fund by personal check will be credited with the proceeds of a redemption of those shares after the purchaser's check has cleared, which may take up to 10 days.

**Exchange of shares.** An investor that participates in an advisory program sponsored by Morgan Stanley may exchange

shares in a Fund for shares in any other Fund in the Trust at NAV without payment of an exchange fee. Be sure to read the Prospectus and consider the investment objectives and policies of any Fund into which you make an exchange. An exchange is a taxable transaction except for exchanges within a retirement account.

***Frequent purchases and sales of portfolio shares.***

Frequent purchases and redemptions of mutual fund shares may interfere with the efficient management of a Fund's portfolio by its portfolio manager, increase portfolio transaction costs, and have a negative effect on a Fund's long-term shareholders. For example, in order to handle large flows of cash into and out of a Fund, a portfolio manager may need to allocate more assets to cash or other short-term investments or sell securities, rather than maintaining full investment in securities selected to achieve the Fund's investment objective. Frequent trading may cause a Fund to sell securities at less favorable prices. Transaction costs, such as brokerage commissions and market spreads, can detract from a Fund's performance. In addition, the return received by long-term shareholders may be reduced when trades by other shareholders are made in an effort to take advantage of certain pricing discrepancies, when, for example, it is believed that a Fund's share price, which is determined at the close of the NYSE on each trading day, does not accurately reflect the value of the Fund's portfolio securities. Funds investing in foreign securities have been particularly susceptible to this form of arbitrage, but other Funds could also be affected.

Because of the potential harm to the Funds and their long-term shareholders, the Board has approved policies and procedures that are intended to discourage and prevent excessive trading and market timing abuses through the use of various surveillance and other techniques. Under these policies and procedures, the Trust may limit additional exchanges or purchases of Fund shares by shareholders whom the Manager believes to be engaged in these abusive trading activities. The intent of the policies and procedures is not to inhibit legitimate strategies, such as asset allocation, dollar cost averaging, or similar activities that may nonetheless result in frequent trading of Fund shares. For this reason, the Board has not adopted any specific restrictions on purchases and sales of Fund shares, but the Trust reserves the right to reject any exchange or purchase of Fund shares with or without prior notice to the account holder. In cases where surveillance of a particular account establishes what the Manager believes to be obvious market timing, the Manager will seek to block future purchases and exchanges of Fund shares by that account. Where surveillance of a particular account indicates activity that the Manager believes could be either abusive or for legitimate purposes, the Trust may permit the account holder to justify the activity.

The policies apply to any account, whether an individual account or accounts with financial intermediaries, such as investment advisers and retirement plan administrators,

commonly called omnibus accounts, where the intermediary holds Fund shares for a number of its customers in one account.

The Trust's policies also require personnel, such as portfolio managers and investment staff, to report any abnormal or otherwise suspicious investment activity, and prohibit short-term trades by such personnel for their own account in mutual funds managed by the Manager and its affiliates, other than money market funds. Additionally, the Trust has adopted policies and procedures to prevent the selective release of information about the portfolio holdings held by Funds of the Trust, as such information may be used for market-timing and similar abusive practices.

***Share certificates.*** Share certificates for the Funds will no longer be issued. If you currently hold share certificates of a Fund, such certificates will continue to be honored.

***Account Termination.*** Either Morgan Stanley or you may terminate your account. If you terminate your advisory relationship, Morgan Stanley reserves the right to liquidate all MS Pathway Fund shares in your account.

***Valuation of shares***

Each Fund offers its shares at NAV. Each Fund calculates its NAV once daily as of the close of regular trading on the NYSE (generally at 4:00 p.m. Eastern time) on each day the NYSE is open. The NYSE is closed on certain holidays listed in the SAI. If the NYSE closes early, the Funds may accelerate calculation of NAV.

The valuation of the securities of each Fund is determined in good faith by or under the direction of the Board. The Board has approved procedures to be used to value each Fund's securities for the purposes of determining each Fund's NAV. The Board has delegated certain valuation functions to the Manager. A Fund generally values its securities based on readily available market quotations determined at the close of trading on the NYSE. Debt obligations that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment's fair value. Debt obligations that will mature in more than 60 days are valued using valuations furnished by approved third-party pricing agents.

A Fund's currency conversions, if any, are done as of the close of the New York Stock Exchange ("NYSE"). For securities that are traded on an exchange, the market price is usually the closing sale or official closing price on that exchange. In the case of securities not traded on an exchange, or if such closing prices are not otherwise available, the market price is typically determined by third-party pricing vendors using a variety of pricing techniques and methodologies. If vendors are unable to supply a price, or if the price supplied is deemed by the Manager to be unreliable, the Manager may determine the price, using quotations received from one or more broker/dealers that make a market in the security or by using

fair value procedures approved by the Board. Certain Funds invest in emerging market securities and in securities rated below investment grade, some of which may be thinly traded, for which market quotations may not be readily available or may be unreliable; these Funds may use fair valuation procedures more frequently than funds that invest primarily in exchange-traded securities. A Fund also may use fair value procedures if the Manager determines that a significant event has occurred between when a market price is determined and when the Fund's NAV is calculated. In particular, the value of foreign securities may be materially affected by events occurring after the close of the market on which they are valued, but before a Fund calculates its NAV.

For the International Equity Fund and the Emerging Markets Equity Fund, the Board has approved the use of a fair value model developed by a pricing service to price foreign equity securities on a daily basis.

Valuing securities using fair value procedures involves greater reliance on judgment than valuation of securities based on readily available market quotations. A Fund that uses fair value to price securities may value those securities higher or lower than another fund using market quotations or fair value to price the same securities. There can be no assurance that a Fund could obtain the fair value assigned to a security if it were to sell the security at approximately the time the Fund determines its net asset value.

Additionally, international markets may be open, and trading may take place, on days when U.S. markets are closed. For this reason, the values of foreign securities owned by a Fund could change on days when shares of the Fund cannot be bought or redeemed.

More information about the valuation of the Funds' holdings can be found in the SAI.

## **Dividends and distributions**

Each Fund intends to distribute all or substantially all of its net investment income and realized capital gains, if any, for each taxable year. The Core Fixed Income Fund, High Yield Fund, Municipal Bond Fund, Inflation-Linked Fixed Income Fund and Ultra-Short Term Fixed Income Fund declare and pay dividends, if any, monthly from net investment income. The Large Cap Equity Fund, Small-Mid Cap Equity Fund, International Equity Fund, Emerging Markets Equity Fund, International Fixed Income Fund and Alternative Strategies Fund declare and pay dividends, if any, annually from net investment income. All of the Funds declare and distribute realized net capital gains, if any, annually, typically in December. The equity oriented Funds expect distributions to be primarily from capital gains. The fixed income oriented Funds expect distributions to be primarily from income. All dividends and capital gains are reinvested in shares of the Fund that paid them unless the shareholder elects to receive them in cash.

## **Taxes**

You should always consult your tax advisor for specific guidance regarding the federal, state and local tax effects of your investment in the Funds. This summary is based on current tax laws, which may change. This summary does not apply to shares held in an individual retirement account or other tax-qualified plans, which are generally not subject to current tax. Transactions relating to shares held in such accounts may, however, be taxable at some time in the future. The following is a summary of the U.S. federal income tax consequences of investing in the Funds.

Each Fund is treated as a separate entity for federal tax purposes and intends to qualify for special tax treatment afforded to regulated investment companies. So long as a Fund meets the requirements for being a tax-qualified regulated investment company ("RIC"), the Fund will pay no federal income tax on the earnings and gains, if any, it distributes to shareholders in a timely manner. If a Fund fails to qualify as a RIC or fails to meet the distribution requirement, the Fund will be subject to federal income tax at regular corporate rates (without a deduction for distributions to shareholders). In addition, when distributed, income (including any distributions of net tax-exempt income and net long-term capital gains) would also be taxable to shareholders as an ordinary dividend to the extent attributable to the Fund's earnings and profits.

Distributions attributable to short-term capital gains are treated as dividends taxable at ordinary income rates. Distributions received by shareholders, other than in a tax-deferred retirement account, are taxable whether received in cash or reinvested in shares. Income distributions other than distributions of qualified dividend income, and distributions of short-term capital gain are generally taxable at ordinary income tax rates. Distributions that are reported by the Funds as long-term capital gains distributions and qualified dividend income are generally taxable at the rates applicable to long-term capital gains currently set at a maximum tax rate for individuals at 20% (lower rates apply to individuals in lower tax brackets). "Qualified dividend income" generally consists of dividends received from U.S. corporations (other than dividends from tax-exempt organizations and certain dividends from real estate investment trusts and RICs) and certain foreign corporations. In order for such dividends to be considered "qualified dividend income," both the shareholders and a Fund must meet certain holding period requirements. Long-term capital gain distributions are taxable to you as long-term capital gain regardless of how long you have owned your shares. Certain of the Funds' investment strategies may significantly limit their ability to make distributions that are eligible for treatment as qualified dividend income.

You may want to avoid buying shares when a Fund is about to declare a capital gain distribution or a taxable dividend, because the amount of the distribution received will be taxable to you even though it may actually be a return of a portion of your investment. This is known as "buying a dividend" and should be avoided by taxable investors.

The Municipal Bond Fund expects to meet certain requirements that will allow such fund to pay “exempt-interest” dividends with respect to income derived from interest earned on qualifying tax-exempt obligations, which shareholders may exclude from their gross income for regular federal income tax purposes. Some of the Municipal Bond Fund’s income that is exempt from regular federal income taxation may be subject to the alternative minimum tax, for non-corporate shareholders. The Municipal Bond Fund may at times buy tax-exempt securities at a discount from the price at which they were originally issued, especially during periods of rising interest rates. For federal income tax purposes, some or all of this market discount will be included in the Fund’s ordinary income and will be ordinary income when it is paid to you. The Municipal Bond Fund may not be an appropriate investment for individual retirement accounts, for other tax-exempt or tax-deferred accounts or for investors who are not sensitive to the federal income tax consequences of their investments. Income exempt from federal taxation may nevertheless be subject to state and local taxation.

In general, redeeming shares, exchanging shares and receiving dividends and distributions (whether in cash or additional shares) are all taxable events. The following table summarizes the tax status to you, if you are a U.S. shareholder, of certain transactions related to the Funds.

U.S. individuals with income exceeding \$200,000 (\$250,000 if married and filing jointly) are subject to a 3.8% tax on their “net investment income,” including interest, dividends, and capital gains (including capital gains realized on the sale or exchange of shares of the Funds). “Net investment income” does not include distributions of exempt interest.

To the extent a Fund invests in foreign securities, it may be subject to foreign withholding taxes with respect to dividends or interest the Fund received from sources in foreign countries. If more than 50% of the total assets of a Fund consists of foreign securities, such Fund will be eligible to elect to treat some of those taxes as a distribution to shareholders, which may allow shareholders to offset some of their U.S. federal income tax. A Fund (or its administrative agent) will notify you if it makes such an election and provide you with the information necessary to reflect foreign taxes paid on your income tax

return.

TRANSACTIONS	FEDERAL TAX STATUS
Redemptions or exchange of shares	Usually taxable as capital gain or loss; long-term only if shares owned more than one year
Distributions of long-term capital gain	Taxable as long-term capital gain
Distribution of short-term capital gain	Generally taxable as ordinary income
Dividends from net investment income	Taxable as ordinary income, but potentially taxable at long-term capital gain rates for equity oriented Funds if qualify for treatment as qualified dividend income
Exempt-interest dividends from Municipal Bond Fund	Generally not taxable, may be subject to alternative minimum tax for non-corporate shareholders
Any of the above received by a qualified retirement account	Not currently taxable, provided purchase of shares not debt-financed

After the end of each year, the Funds (or their administrative agent) will provide you with information about the distributions and dividends you received and any redemption of shares during the previous year. If you do not provide the Funds with your correct taxpayer identification number and any required certifications, you may be subject to backup withholding on your Fund’s distributions, dividends and redemption proceeds. Since each shareholder’s circumstances are different and special tax rules may apply, you should consult your tax adviser about the federal, state, and local tax effects of your investment in a Fund. The Funds (or their administrative agent) must report to the Internal Revenue Service (“IRS”) and furnish to Fund shareholders the cost basis information for Fund shares. In addition to reporting the gross proceeds from the sale of Fund shares, each Fund (or its administrative agent) is also required to report the cost basis information for such shares and indicate whether these shares have a short-term or long-term holding period. For each sale of its shares, each Fund will permit its shareholders to elect from among several IRS-accepted cost basis methods, including the average cost basis method. In the absence of an election, each Fund will use a default cost basis method. The cost basis method elected by shareholders (or the cost basis method applied by default) for each sale of a Fund’s shares may not be changed after the settlement date of each such sale of a Fund’s shares. Shareholders should consult their tax advisors to determine the best IRS-accepted cost basis method for their tax situation and to obtain more information about cost basis reporting. Shareholders also should carefully review any cost basis information provided to them by a fund and make any additional basis, holding period or other adjustments that are required when reporting these amounts on their federal income tax returns.



As noted above, investors, out of their own assets, will pay an advisory service fee in connection with their investment in the applicable Morgan Stanley-sponsored investment advisory program. This fee is separate and apart from the fees and expenses incurred by the Fund, which are indirectly borne by shareholders. For most investors who are individuals, this advisory service fee that is directly charged to them will be treated as a "miscellaneous itemized deduction." For taxable years beginning before January 1, 2027, miscellaneous itemized deductions will not be deductible.

The above discussion is applicable to shareholders who are U.S. persons. If you are a non-U.S. person, please consult your own tax adviser with respect to the tax consequences to you of an investment in a Fund.

For more information about taxes please see the SAI.

# Financial Highlights

The financial highlights tables are intended to help you understand the performance of each Fund for the past five years or since inception if the fund has commenced operations within the last five years. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in each Fund (assuming reinvestment of all dividends and distributions). The information below has been derived from the financial statements audited by Deloitte & Touche LLP, an independent registered public accounting firm, whose report, along with each Fund's financial statements, is incorporated by reference in the SAI. The Annual Report to Shareholders and each Fund's financial statements, as well as the SAI, are available at no cost from the Fund at the toll free number noted on the back cover to this Prospectus.

For a share of beneficial interest outstanding throughout each year ended August 31, unless otherwise noted:

## Large Cap Equity Fund

	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Year	\$19.10	\$21.31	\$18.76	\$17.06	\$20.63
Income from Operations:					
Net investment income <sup>(1)</sup>	0.26	0.27	0.26	0.25	0.19
Net realized and unrealized gain (loss)	3.23	(0.24)	3.18	2.05	1.15
Total Income from Operations	3.49	0.03	3.44	2.30	1.34
Less Distributions from:					
Net investment income	(0.20)	(0.34)	(0.24)	(0.27)	(0.11)
Net realized gain	(0.77)	(1.90)	(0.65)	(0.33)	(4.80)
Total Distributions	(0.97)	(2.24)	(0.89)	(0.60)	(4.91)
Net Asset Value, End of Year	\$21.62	\$19.10	\$21.31	\$18.76	\$17.06
Total Return <sup>†(2)</sup>	18.85%	1.32%	18.89%	13.86%	7.08%
Net Assets, End of Year (millions)	\$1,854	\$1,554	\$1,737	\$1,687	\$1,709
Ratios to Average Net Assets:					
Gross expenses	0.70%	0.69%	0.69%	0.69%	0.69%
Net expenses <sup>(3)</sup>	0.49	0.48	0.48	0.48	0.56
Net investment income	1.33	1.43	1.29	1.40	1.10
Portfolio Turnover Rate	21%	13%	29%	18%	105%

(1) Per share amounts have been calculated using the average shares method.

(2) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

(3) Reflects fee waivers and/or expense reimbursements.

† Calculated based on the net asset value as of the last business day of the period.



For a share of beneficial interest outstanding throughout each year ended August 31, unless otherwise noted:

## Small-Mid Cap Equity Fund

	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Year	\$18.60	\$23.06	\$19.53	\$17.40	\$24.39
Income (Loss) from Operations:					
Net investment income <sup>(1)</sup>	0.13	0.12	0.10	0.10	0.05
Net realized and unrealized gain (loss)	1.48	(1.83)	4.14	2.39	(1.22)
Total Income (Loss) from Operations	1.61	(1.71)	4.24	2.49	(1.17)
Less Distributions from:					
Net investment income	(0.10)	(0.10)	(0.03)	(0.06)	—
Net realized gain	(2.10)	(2.65)	(0.68)	(0.30)	(5.82)
Total Distributions	(2.20)	(2.75)	(0.71)	(0.36)	(5.82)
Net Asset Value, End of Year	\$18.01	\$18.60	\$23.06	\$19.53	\$17.40
Total Return <sup>†(2)</sup>	8.78%	(6.25)%	22.17%	14.49%	(5.51)%
Net Assets, End of Year (millions)	\$ 620	\$ 423	\$ 520	\$ 674	\$ 475
Ratios to Average Net Assets:					
Gross expenses	0.96%	0.98%	0.92%	0.94%	0.99%
Net expenses <sup>(3)</sup>	0.62	0.66	0.61	0.63	0.79
Net investment income	0.77	0.63	0.47	0.52	0.28
Portfolio Turnover Rate	45%	65%	34%	34%	151%

(1) Per share amounts have been calculated using the average shares method.

(2) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

(3) Reflects fee waivers and/or expense reimbursements.

† Calculated based on the net asset value as of the last business day of the period.

For a share of beneficial interest outstanding throughout each year ended August 31, unless otherwise noted:

## International Equity Fund

	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Year	\$11.59	\$12.64	\$12.34	\$10.83	\$10.91
Income (Loss) from Operations:					
Net investment income <sup>(1)</sup>	0.17	0.28	0.27	0.24	0.21
Net realized and unrealized gain (loss)	0.84	(1.09)	0.24	1.56	(0.10)
Total Income (Loss) from Operations	1.01	(0.81)	0.51	1.80	0.11
Less Distributions from:					
Net investment income	(0.33)	(0.24)	(0.21)	(0.29)	(0.19)
Net Asset Value, End of Year	\$12.27	\$11.59	\$12.64	\$12.34	\$10.83
Total Return <sup>†(2)</sup>	8.64%	(6.34)%	4.15%	17.14%	0.96%
Net Assets, End of Year (millions)	\$1,254	\$1,311	\$1,677	\$1,244	\$1,122
Ratios to Average Net Assets:					
Gross expenses	0.87%	0.84%	0.83%	0.83%	0.82%
Net expenses <sup>(3)</sup>	0.71	0.68	0.66	0.65	0.76
Net investment income	1.44	2.40	2.07	2.15	2.02
Portfolio Turnover Rate	39%	28%	41%	27%	64%

(1) Per share amounts have been calculated using the average shares method.

(2) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

(3) Reflects fee waivers and/or expense reimbursements.

† Calculated based on the net asset value as of the last business day of the period.

## Emerging Markets Equity Fund

	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Year	\$14.00	\$14.29	\$15.33	\$12.36	\$10.87
Income (Loss) from Operations:					
Net investment income <sup>(1)</sup>	0.20	0.27	0.22	0.20	0.13
Net realized and unrealized gain (loss)	0.75	(0.34)	(1.06)	2.90	1.51
Total Income (Loss) from Operations	0.95	(0.07)	(0.84)	3.10	1.64
Less Distributions from:					
Net investment income	(0.28)	(0.22)	(0.20)	(0.13)	(0.15)
Net Asset Value, End of Year	\$14.67	\$14.00	\$14.29	\$15.33	\$12.36
Total Return <sup>†(2)</sup>	6.79%	(0.40)%	(5.55)%	25.48%	15.31%
Net Assets, End of Year (millions)	\$ 548	\$ 493	\$ 498	\$ 488	\$ 428
Ratio to Average Net Assets:					
Gross expenses	1.15%	1.13%	1.11%	1.14%	1.13%
Net expenses <sup>(3)</sup>	0.84	0.82	0.80	0.86	0.96
Net investment income	1.44	1.95	1.42	1.51	1.15
Portfolio Turnover Rate	23%	22%	24%	27%	99%

(1) Per share amounts have been calculated using the average shares method.

(2) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

(3) Reflects fee waivers and/or expense reimbursements.

† Calculated based on the net asset value as of the last business day of the period.

For a share of beneficial interest outstanding throughout each year ended August 31, unless otherwise noted:

## Core Fixed Income Fund

	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Year	\$ 8.42	\$ 7.86	\$ 8.19	\$ 8.41	\$ 8.23
Income (Loss) from Operations:					
Net investment income <sup>(1)</sup>	0.19	0.23	0.20	0.19	0.20
Net realized and unrealized gain (loss)	0.42	0.57	(0.31)	(0.11)	0.27
Total Income (Loss) from Operations	0.61	0.80	(0.11)	0.08	0.47
Less Distributions from:					
Net investment income	(0.22)	(0.24)	(0.21)	(0.22)	(0.23)
Tax return of capital	—	—	(0.01)	—	—
Net realized gain	(0.02)	—	—	(0.08)	(0.06)
Total Distributions	(0.24)	(0.24)	(0.22)	(0.30)	(0.29)
Net Asset Value, End of Year	\$ 8.79	\$ 8.42	\$ 7.86	\$ 8.19	\$ 8.41
Total Return <sup>†(2)</sup>	7.46%	10.39%	(1.35)%	1.07%	5.84%
Net Assets, End of Year (millions)	\$ 981	\$ 1,204	\$ 867	\$ 710	\$ 722
Ratios to Average Net Assets:					
Gross expenses	0.58%	0.57%	0.57%	0.58% <sup>(3)</sup>	0.55% <sup>(3)</sup>
Net expenses <sup>(4)</sup>	0.56	0.56	0.56	0.56 <sup>(3)</sup>	0.54 <sup>(3)</sup>
Net investment income	2.27	2.85	2.49	2.32	2.42
Portfolio Turnover Rate	216%	210%	253%	236%	245%

(1) Per share amounts have been calculated using the average shares method.

(2) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

(3) Ratio includes interest expense on reverse repurchase agreements which represents less than 0.005%.

(4) Reflects fee waivers and/or expense reimbursements.

† Calculated based on the net asset value as of the last business day of the period.

## High Yield Fund

	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Year	\$ 3.76	\$ 3.77	\$ 3.86	\$ 3.78	\$ 3.88
Income from Operations:					
Net investment income <sup>(1)</sup>	0.17	0.19	0.20	0.22	0.23
Net realized and unrealized gain (loss)	(0.15)	0.00	(0.08)	0.10	(0.09)
Total Income from Operations	0.02	0.19	0.12	0.32	0.14
Less Distributions from:					
Net investment income	(0.17)	(0.20)	(0.21)	(0.24)	(0.24)
Net Asset Value, End of Year	\$ 3.61	\$ 3.76	\$ 3.77	\$ 3.86	\$ 3.78
Total Return <sup>†(2)</sup>	0.14%	5.58%	3.20%	8.38%	4.02%
Net Assets, End of Year (millions)	\$ 282	\$ 49	\$ 58	\$ 173	\$ 325
Ratios to Average Net Assets:					
Gross expenses	1.07%	1.32%	1.17%	0.95%	0.88%
Net expenses <sup>(3)</sup>	0.86	1.12	0.97	0.75	0.70
Net investment income	4.85	5.09	5.27	5.65	6.21
Portfolio Turnover Rate	84%	43%	57%	72%	64%

(1) Per share amounts have been calculated using the average shares method.

(2) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

(3) Reflects fee waivers and/or expense reimbursements.

† Calculated based on the net asset value as of the last business day of the period.

For a share of beneficial interest outstanding throughout each year ended August 31, unless otherwise noted:

## International Fixed Income Fund

	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Year	\$ 8.35	\$ 7.86	\$ 7.78	\$ 7.79	\$ 7.61
Income from Operations:					
Net investment income <sup>(1)</sup>	0.20	0.06	0.14	0.14	0.13
Net realized and unrealized gain (loss)	(0.15)	0.70	0.03	(0.07)	0.56
Total Income from Operations	0.05	0.76	0.17	0.07	0.69
Less Distributions from:					
Net investment income	(0.35)	(0.27)	(0.09)	(0.08)	(0.51)
Net realized gain	(0.02)	—	—	—	—
Total Distributions	(0.37)	(0.27)	(0.09)	(0.08)	(0.51)
Net Asset Value, End of Year	\$ 8.03	\$ 8.35	\$ 7.86	\$ 7.78	\$ 7.79
Total Return <sup>†(2)</sup>	0.75%	10.01%	2.25%	0.98%	9.56%
Net Assets, End of Year (millions)	\$ 135	\$ 147	\$ 145	\$ 148	\$ 192
Ratios to Average Net Assets:					
Gross expenses <sup>(3)</sup>	1.16%	1.24%	1.01%	1.06%	0.87%
Net expenses <sup>(3)(4)</sup>	1.11	1.19	0.95	1.01	0.83
Net investment income	2.49	0.77	1.76	1.82	1.71
Portfolio Turnover Rate	437%	265%	203%	268%	199%

(1) Per share amounts have been calculated using the average shares method.

(2) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

(3) Ratio includes interest expense on reverse repurchase agreements and sale-buyback transactions which represents 0.09%, 0.15%, 0.04%, 0.11%, and 0.04%, respectively.

(4) Reflects fee waivers and/or expense reimbursements.

† Calculated based on the net asset value as of the last business day of the period.

## Municipal Bond Fund

	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Year	\$ 9.61	\$ 9.11	\$ 9.37	\$ 9.93	\$ 9.65
Income (Loss) from Operations:					
Net investment income <sup>(1)</sup>	0.20	0.23	0.24	0.27	0.28
Net realized and unrealized gain (loss)	(0.01)	0.52	(0.26)	(0.31)	0.30
Total Income (Loss) from Operations	0.19	0.75	(0.02)	(0.04)	0.58
Less Distributions from:					
Net investment income	(0.21)	(0.22)	(0.24)	(0.27)	(0.28)
Net realized gain	(0.06)	(0.03)	—	(0.25)	(0.02)
Total Distributions	(0.27)	(0.25)	(0.24)	(0.52)	(0.30)
Net Asset Value, End of Year	\$ 9.53	\$ 9.61	\$ 9.11	\$ 9.37	\$ 9.93
Total Return <sup>†(2)</sup>	1.99%	8.38%	(0.21)%	(0.22)%	6.14%
Net Assets, End of Year (millions)	\$ 69	\$ 86	\$ 64	\$ 58	\$ 69
Ratios to Average Net Assets:					
Gross expenses	0.73%	0.74%	0.72%	0.75%	0.68%
Net expenses	0.73%	0.74	0.72	0.75	0.68
Net investment income	2.16	2.44	2.61	2.85	2.87
Portfolio Turnover Rate	10%	42%	18%	13%	16%

(1) Per share amounts have been calculated using the average shares method.

(2) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

† Calculated based on the net asset value as of the last business day of the period.

For a share of beneficial interest outstanding throughout each year ended August 31, unless otherwise noted:

### Inflation-Linked Fixed Income Fund

	2020	2019	2018	2017	2016 <sup>(1)</sup>
Net Asset Value, Beginning of Year/Period	\$10.19	\$ 9.79	\$10.08	\$10.23	\$10.00
Income from Operations:					
Net investment income <sup>(2)</sup>	0.18	0.24	0.30	0.23	0.14
Net realized and unrealized gain (loss)	0.88	0.38	(0.25)	(0.13)	0.32
Total Income from Operations	1.06	0.62	0.05	0.10	0.46
Less Distributions from:					
Net investment income	(0.12)	(0.22)	(0.34)	(0.24)	(0.23)
Net realized gain	—	—	—	(0.01)	—
Total Distributions	(0.12)	(0.22)	(0.34)	(0.25)	(0.23)
Net Asset Value, End of Year/Period	\$11.13	\$10.19	\$ 9.79	\$10.08	\$10.23
Total Return <sup>†(3)</sup>	10.38%	6.42%	0.55%	1.05%	4.59% <sup>(7)</sup>
Net Assets, End of Year/Period (millions)	\$ 156	\$ 217	\$ 240	\$ 190	\$ 159
Ratios to Average Net Assets:					
Gross expenses <sup>(4)</sup>	1.27%	1.35%	1.27%	1.15%	1.03% <sup>(5)</sup>
Net expenses <sup>(4)(6)</sup>	1.22	1.30	1.22	1.10	0.99 <sup>(5)</sup>
Net investment income	1.76	2.47	3.07	2.25	2.91 <sup>(5)</sup>
Portfolio Turnover Rate	193%	143%	72%	120%	35% <sup>(7)</sup>

(1) For the period from Fund inception (March 8, 2016) through the period ended August 31, 2016.

(2) Per share amounts have been calculated using the average shares method.

(3) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

(4) Ratio includes interest expense on reverse repurchase agreements and sale-buyback transactions which represents 0.35%, 0.55%, 0.49%, 0.29% and 0.19%, respectively.

(5) Annualized.

(6) Reflects fee waivers and/or expense reimbursements.

(7) Not annualized.

† Calculated based on the net asset value as of the last business day of the period.

### Ultra-Short Term Fixed Income Fund

	2020	2019	2018	2017	2016 <sup>(1)</sup>
Net Asset Value, Beginning of Year/Period	\$ 9.90	\$ 9.97	\$ 9.99	\$10.00	\$10.00
Income from Operations:					
Net investment income <sup>(2)</sup>	0.18	0.25	0.19	0.13	0.07
Net realized and unrealized gain (loss)	0.06	(0.06)	0.02	0.08	0.02
Total Income from Operations	0.24	0.19	0.21	0.21	0.09
Less Distributions from:					
Net investment income	(0.15)	(0.26)	(0.23)	(0.22)	(0.09)
Net Asset Value, End of Year/Period	\$ 9.99	\$ 9.90	\$ 9.97	\$ 9.99	\$10.00
Total Return <sup>†(3)</sup>	2.36%	2.07%	2.09%	2.14%	0.89% <sup>(7)</sup>
Net Assets, End of Year/Period (millions)	\$ 398	\$ 497	\$ 507	\$ 276	\$ 162
Ratios to Average Net Assets:					
Gross expenses <sup>(4)</sup>	0.69%	0.82%	0.71%	0.84%	0.81% <sup>(5)</sup>
Net expenses <sup>(4)(6)</sup>	0.64	0.77	0.66	0.79	0.77 <sup>(5)</sup>
Net investment income	1.78	2.51	1.90	1.29	1.47 <sup>(5)</sup>
Portfolio Turnover Rate	96%	97%	128%	103%	100% <sup>(7)</sup>

(1) For the period from Fund inception (March 8, 2016) through the period ended August 31, 2016.

(2) Per share amounts have been calculated using the average shares method.

(3) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

(4) Ratio includes interest expense on reverse repurchase agreements and sale-buyback transactions which represents 0.02%, 0.07%, 0.04%, 0.05% and 0.02%, respectively.

(5) Annualized.

(6) Reflects fee waivers and/or expense reimbursements.

(7) Not annualized.

† Calculated based on the net asset value as of the last business day of the period.

For a share of beneficial interest outstanding throughout each year ended August 31, unless otherwise noted:

## Alternative Strategies Fund

	2020	2019	2018 <sup>(1)</sup>
Net Asset Value, Beginning of Year/Period	\$10.10	\$ 9.88	\$10.00
Income (Loss) from Operations:			
Net investment income (loss) <sup>(2)</sup>	0.15	0.10	(0.09)
Net realized and unrealized gain (loss)	0.10	0.19	(0.03)
Total Income (Loss) from Operations	0.25	0.29	(0.12)
Less Distributions from:			
Net Investment Income	(0.28)	(0.07)	—
Net realized gain	(0.03)	—	—
Total Distributions	(0.31)	(0.07)	—
Net Asset Value, End of Year/Period	\$10.04	\$10.10	\$ 9.88
Total Return <sup>†(3)</sup>	2.61%	2.90%	(1.20)% <sup>(6)</sup>
Net Assets, End of Year/Period (millions)	\$ 39	\$ 27	\$ 6
Ratios to Average Net Assets:			
Gross expenses	1.85%	2.34%	11.00% <sup>(4)</sup>
Net expenses <sup>(5)(7)</sup>	0.70	0.88	1.95 <sup>(4)</sup>
Net investment income (loss)	1.52	1.01	(1.72) <sup>(4)</sup>
Portfolio Turnover Rate	34%	16%	14% <sup>(6)</sup>

(1) For the period from Fund inception (February 15, 2018) through the period ended August 31, 2018.

(2) Per share amounts have been calculated using the average shares method.

(3) Performance figures may reflect fee waivers and/or expense reimbursements and assume reinvestment of dividend distribution. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Applicable advisory program charges, which may be up to 2.50%, are not reflected in the performance data and would reduce the total returns. Effective October 1, 2018, the new advisory program charge is 2.00%. Past performance is no guarantee of future results.

(4) Annualized.

(5) Reflects fee waivers and/or expense reimbursements.

(6) Not annualized.

(7) Does not reflect the Fund's proportionate share of income and expenses from the Underlying Fund.

† Calculated based on the net asset value as of the last business day of the period.





## For More Information

You may visit the Trust's website at [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm) for a free copy of this Prospectus, or an annual or semi-annual report, or to request other information.

## Annual and Semi-annual Reports

Additional information about the Funds' investments is available in the Funds' annual and semi-annual reports to shareholders. The Funds' annual report contains a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during their last fiscal year.

The Trust sends only one report to a household if more than one account has the same address. Contact your Morgan Stanley financial advisor or the transfer agent if you do not want this policy to apply to you.

## Statement of Additional Information ("SAI")

The SAI provides more detailed information about the Funds and is incorporated into this Prospectus by reference.

## Morgan Stanley Financial Advisor

Your Morgan Stanley financial advisor ("Financial Advisor") is available to answer questions about the Funds or the investor's overall asset allocation program.

Investors can obtain free copies of the annual and semi-annual reports, request the SAI, or request other information and discuss their questions about the Funds by contacting their Financial Advisor. Investors may also obtain free copies of these documents or request other information by calling:

1-800-869-3326 or by writing to the Funds at:

MS Pathway Funds  
2000 Westchester Avenue  
Purchase, NY 10577

or at the Funds' website at [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm)

Reports and other information about the Funds are available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>. Copies of this information may be obtained for a duplicating fee by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Section, Washington, D.C. 20549-1520.

If someone makes a statement about the Funds that is not in this Prospectus, you should not rely upon that information. Neither the Funds nor the distributor is offering to sell shares of the Funds to any person to whom the Funds may not lawfully sell their shares.