

Morgan Stanley Institutional Fund China Equity Portfolio

Morningstar Category: China Region

Lipper Category: China Region

Investment Objective: Seeks long-term capital appreciation.

Investment Approach: We seek long-term capital appreciation by investing in focused growth opportunities in Chinese equity securities listed on various exchanges, using a fundamental bottom-up stock selection process informed by macro thematic research on China. We employ this consistent and targeted approach seeking companies with strong sustainable earnings growth and fundamentals. We invest in high quality, growth businesses at attractive valuations with relatively long-term investment horizons. Structural growth and competitive advantage with financial strength are among the most important criteria for our active stock selection process.

Class I Shares (% net of fees) vs. Index Performance of 10,000 USD Invested Since Inception (Cash Value (\$))



Investment Performance (% net of fees) in USD

	Cumulative (%)			Annualized (% p.a.)			
	2Q21	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	0.30	-3.83	14.99	--	--	--	19.62
MSCI China (Net) Index	2.27	1.83	27.39	--	--	--	25.27

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014
Class I Shares	28.80	--	--	--	--	--	--
MSCI China (Net) Index	29.49	--	--	--	--	--	--

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit morganstanley.com/im or call 1-800-548-7786. Investment returns and principal value will fluctuate and fund shares, when redeemed, may be worth more or less than their original cost.

Performance and fund information is as of June 30, 2021, unless otherwise noted. Returns are net of fees and assume the reinvestment of all dividends and income. Returns for less than one year are cumulative (not annualized). Performance of other share classes will vary.

Growth of Investment illustration is based on an initial investment of \$10,000 made since fund inception, assumes reinvestment of dividends and capital gains and application of fees, but does not include sales charges. Performance would have been lower if sales charges had been included. Results are hypothetical.

Please keep in mind that high double-digit returns are highly unusual and cannot be sustained. Investors should also be aware that these returns were primarily achieved during favorable market conditions.

Expense Ratios	SYMBOL	CUSIP	GROSS (%)	NET (%)
Class A	MAKAX	61768B604	21.25	1.55
Class C	MAKCX	61768B703	13.32	2.30
Class I	MAKIX	61768B505	3.20	1.20
Class IS	MAKSX	61768B802	20.92	1.15

Where the net expense ratio is lower than the gross expense ratio, certain fees have been waived and/or expenses reimbursed. These waivers and/or reimbursements will continue for at least one year from the date of the applicable fund's current prospectus (unless otherwise noted in the applicable prospectus) or until such time as the fund's Board of Directors acts to discontinue all or a portion of such waivers and/or reimbursements. Absent such waivers and/or reimbursements, returns would have been lower. Expenses are based on the fund's current prospectus. The minimum initial investment is \$5,000,000 for Class I shares.

Fund Facts

Inception date	October 31, 2019
Total net assets	\$ 13.52 million
Benchmark ¹	MSCI China (Net) Index
Distribution frequency	Annually

Characteristics

	FUND
Active share (%)	51.55
Price/earnings (LTM)	23.47
Price/cash flow	17.55
Price/book	4.35
Return on equity (%)	18.58
Weighted average market capitalization (\$B)	323.79
Weighted median market capitalization (\$B)	224.16
Number of holdings	27
D/E weighted median (%)	26.68
Turnover (%)*	25

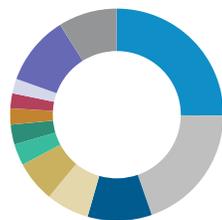
* Turnover is sourced from the fund's current prospectus.

Top Holdings (% of Total Net Assets)

	FUND
Tencent Holdings Ltd	19.31
Alibaba Group Holding Ltd	13.36
Kweichow Moutai Co. Ltd	6.83
Meituan	6.75
Shenzhen International Group	4.46
Pinduoduo Inc	3.41
China Merchants Bank	3.25
China Mengniu Dairy Co. Ltd	3.22
China Construction Bank Corp	2.93
China Resources Beer Holdings Co. Ltd	2.79
Total	66.31

Industry Breakdown (% of Total Net Assets)#

FUND



Industry	FUND
Internet & Direct Marketing Retail	24.87
Interactive Media & Services	19.31
Beverages	9.62
Textiles, Apparel & Luxury Goods	6.45
Banks	6.18
Food Products	3.22
Household Durables	3.02
Electronic Equipment, Instruments & Components	2.43
Diversified Consumer Services	2.26
Insurance	2.21
Other	10.49
Cash	8.80

about the fund. To obtain a prospectus, download one at morganstanley.com/im or call 1-800-548-7786. Please read the prospectus carefully before investing.

Morgan Stanley Investment Management (MSIM) is the asset management division of Morgan Stanley.

#May not sum to 100% due to the exclusion of other assets and liabilities.

This material is a general communication, which is not impartial and all information provided has been prepared solely for informational and educational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The information herein has not been based on a consideration of any individual investor circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

Past performance is not indicative of future results. Subject to change daily. Fund information is provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security or securities in the sectors and countries that may be presented.

Index data displayed under characteristics and allocations are calculated using MSIM and/or other third-party methodologies and may differ from data published by the vendor.

DEFINITIONS: Active share is the fraction of the portfolio or fund that is invested differently than its benchmark as of the last day of the reporting period. **Price/book** compares a stock's market value to the book value per share of total assets less total liabilities. This number is used to judge whether a stock is undervalued or overvalued.

Price/cash flow is a ratio used to compare a company's market value to its cash flow. It is calculated by dividing the company's per-share stock price by the per-share operating cash flow. **Price/earnings (P/E)** is the price of a stock divided by its earnings per share.

Sometimes called the multiple, P/E gives investors an idea of how much they are paying for a company's earning power. **Return on equity (ROE)** is the amount of net income returned as a percentage of shareholders equity. **Weighted average market capitalization** is an average of the market capitalization of stocks held by a portfolio or comprising an index, adjusted by each stock's corresponding weight in the portfolio or index. **Weighted median Debt to Equity ratio** is the point at which half of the market value of a portfolio or index is invested in stocks with a greater Debt to Equity ratio, while the other half of the market value is invested in stocks with a lower Debt to Equity ratio. **Debt/equity (D/E)** is a measure of a company's financial leverage calculated by dividing its total liabilities by stockholders' equity. **Weighted median market capitalization** is the point at which half of the market value of a portfolio or index is invested in stocks with a greater market capitalization, and consequently the other half of the market value is invested in stocks with a lower market capitalization.

INDEX INFORMATION: (1) The **MSCI China (Net) Index** captures large and mid-cap representation across China A-shares, B-shares, H-shares, Red-chips and P-chips. It reflects the Mainland China and Hong Kong opportunity set from an international investor's perspective.

The index is unmanaged and should not be considered an investment. It is not possible to invest directly in an index.

RISK CONSIDERATIONS: There is no assurance that a Portfolio will achieve its investment objective. Portfolios are subject to **market risk**, which is the possibility that the market values of securities owned by the Portfolio will decline and that the value of Portfolio shares may therefore be less than what you paid for them. Market values can change daily due to economic and other events (e.g. natural disasters, health crises, terrorism, conflicts and social unrest) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g. portfolio liquidity) of events. Accordingly, you can lose money investing in this Portfolio. Please be aware that this portfolio may be subject to certain additional risks. In general, **equity securities'** values also fluctuate in response to activities specific to a company. Investments in **securities of Chinese issuers**, including A-shares, H-shares, B-shares and red chip shares, involve risks and special considerations not typically associated with investments in the U.S. securities markets or foreign developed markets, such as heightened market, political and liquidity risk. Investments in **foreign markets** entail special risks such as currency, political, economic, and market risks. The risks of investing in **emerging market countries** are greater than the risks generally associated with investments in foreign developed countries. By investing in **investment company securities**, the portfolio is subject to the underlying risks of that investment company's portfolio securities. In addition to the Portfolio's fees and expenses, the Portfolio generally would bear its share of the investment company's fees and expenses. **Illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). **Derivative instruments** can be illiquid, may disproportionately increase losses and may have a potentially large negative impact on the portfolio's performance. **Non-diversified** portfolios often invest in a more limited number of issuers. As such, changes in the financial condition or market value of a single issuer may cause greater volatility.

Please consider the investment objective, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information