

INVESTMENT MANAGEMENT

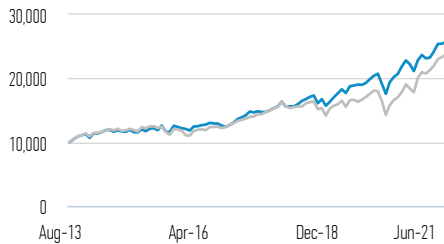
Morgan Stanley Institutional Fund

Global Sustain Portfolio

Investment Objective: Seeks long-term capital appreciation.

Investment Approach: The investment team believes that the best way to compound wealth is by owning very high-quality companies with sustainable high returns over the long term. Social and environmental risks that are material to the sustainability of returns are more important than ever given political and social change. Leading the way on such issues can be a positive force for corporate success if it drives consumer and/or employee engagement. The higher the quality of a company, the more important the governance. The Fund typically invests in intrinsically carbon-light companies and has a significantly lower carbon footprint than the broader market, with a robust carbon-related exclusions policy and filtering process. In addition to its carbon exclusions, the Portfolio has a number of business activity¹ exclusions, including alcohol, gambling, tobacco and weapons. The investment team views long-term portfolio manager-led engagement as a critical underpinning to an active investment process.

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



— Class I Shares
— MSCI World Net Index

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	6.19	8.69	24.26	16.06	15.06	--	12.82
MSCI World Net Index	7.74	13.05	39.04	14.99	14.83	--	11.65

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014
Class I Shares	15.96	30.03	0.60	22.86	4.20	5.27	2.66
MSCI World Net Index	15.90	27.67	-8.71	22.40	7.51	-0.87	4.94

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	MGQAX	61760X646	1.76	1.25
Class C	MSGQX	61760X430	2.51	2.00
Class I	MGQIX	61760X653	1.45	0.90
Class IS	MGQSX	61760X620	1.41	0.85

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.

MSIF Global Quality Portfolio has changed to MSIF Global Sustain Portfolio effective April 30, 2018.



Morningstar Overall Rating

CLASS I SHARES

Out of 282 Funds. Based on Risk Adjusted Return.

Class I Shares: 3yr. rating 5 Stars; 5yr. rating 5 Stars.

Morningstar Category: World Large-Stock Blend

Lipper Category: Global Large-Cap Growth

Morningstar Rankings - Class I

	PERCENTILE	RANK/TOTAL IN CATEGORY
1 YR	93	311/332
3 YR	10	29/282
5 YR	16	34/239

Source: Morningstar, Inc. Rankings are based on total returns, are historical and do not guarantee future results.

Fund Facts

Inception date	August 30, 2013
Total net assets	\$ 81.06 million
Benchmark ²	MSCI World Net Index
Distribution frequency	Annually

Statistics

(3 Year Annualized)	CLASS I	INDEX
Alpha (%)	4.27	--
Beta (vs. benchmark)	0.77	1.00
Excess return (%)	1.07	--
Information ratio	0.16	--
R squared	0.88	1.00
Tracking error (%)	6.67	--
Standard deviation (%)	14.87	18.21
Sharpe ratio	0.99	0.75
Up-capture ratio (%)	86.98	100.00
Down-capture ratio (%)	76.62	100.00

Characteristics

	FUND	INDEX
Active share (%)	87.73	--
Number of holdings	36	1,563
Price/earnings (NTM) [†]	24.62	19.71
Price/free cash flow (NTM) [†]	25.84	23.48
Turnover (%) [*]	20	--

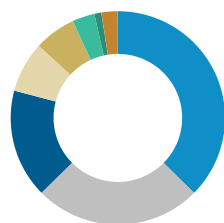
[†] NTM = Next Twelve Months.

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

Top Countries

(% of Total Net Assets) ^{3,#}	FUND	INDEX
United States	68.68	67.39
Germany	10.65	2.75
United Kingdom	9.06	4.21
Canada	3.24	3.34
Taiwan	2.60	--
Hong Kong	1.71	0.95
France	1.59	3.37
Cash	2.47	--

Sector Allocation (% of Total Net Assets)#



	FUND	INDEX
Information Technology	37.44	22.11
Health Care	25.19	12.54
Consumer Staples	16.50	7.04
Financials	7.68	13.54
Industrials	6.28	10.60
Communication Services	3.39	9.12
Consumer Discretionary	1.06	12.03
Cash	2.47	--

Top Holdings (% of Total Net Assets)

	FUND	INDEX
Microsoft Corp	7.78	3.35
Reckitt Benckiser Plc	5.54	0.11
Visa Inc	5.51	0.69
SAP SE	5.25	0.25
Accenture Plc	4.28	0.32
Henkel AG & Co. KGaA	4.26	0.05
Baxter International Inc	3.89	0.07
Becton Dickinson and Co.	3.88	0.12
Abbott Laboratories	3.73	0.35
Danaher Corp	3.73	0.30
Total	47.85	--

#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. **Forecasts/estimates** are based on current market conditions, subject to change, and may not necessarily come to pass.

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. **Alpha** (Jensen's) is a risk-adjusted performance measure that represents the average return on a portfolio or investment above or below that predicted by the capital asset pricing model (CAPM) given the portfolio's or investment's beta and the average market return. Prior to 6/30/2018 Alpha was calculated as the excess return of the fund versus benchmark. **Beta** is a measure of the relative volatility of a security or portfolio to the market's upward or downward movements. **Excess return** or value added (positive or negative) is the portfolio's return relative to the return of the benchmark. **Information ratio** is the portfolio's alpha or excess return per unit of risk, as measured by tracking error, versus the portfolio's benchmark.

Price to Free Cash Flow (P/FCF) is a ratio used to compare a company's market value to its free cash flow. It is calculated by dividing the company's per-share stock price by its per-share free cash flow. Free Cash flow is calculated by subtracting a company's Capital Expenditures from its 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. **R squared** measures how well an investment's returns correlate to an index. An R squared of 1.00 means the portfolio performance is 100% correlated to the index's, whereas a low r-squared means that the portfolio performance is less correlated to the index's. **Sharpe ratio** is a risk-adjusted measure calculated as the ratio of excess return to standard deviation. **Standard deviation** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value. **Tracking error** is the amount by which the performance of the portfolio differs from that of the benchmark.

Upside/downside market capture measures annualized performance in up/down markets relative to the market benchmark.

INDEX INFORMATION: (2) The **MSCI World Net Index** is a free float adjusted market capitalization weighted index that is designed to measure the global equity market performance of developed markets. The term "free float" represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The performance of the Index is listed in U.S. dollars and assumes reinvestment of net dividends.

The index is unmanaged and does not include any expenses, fees or sales charges. 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. **ESG strategies** that incorporate impact investing and/or Environmental, Social and Governance (ESG) factors could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. As a result, there is no assurance ESG strategies could result in more favorable investment performance. In general, **equities securities'** values also fluctuate in response to activities specific to a company. Investments in **foreign markets** entail special risks such as currency, political, economic, market and liquidity risks. The risks of investing in **emerging market countries** are greater than risks associated with investments in foreign developed countries. Stocks of **small- and medium- capitalization companies** entail special risks, such as limited product lines, markets and financial resources, and greater market volatility than securities of larger, more established companies. **Nondiversified 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. **Derivative instruments** may disproportionately increase losses and have a significant impact on performance. They also may be subject to counterparty, liquidity, valuation, correlation and market risks. **Illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). **Privately placed and restricted securities** may be subject to resale restrictions as well as a lack of publicly available information, which will increase their illiquidity and could adversely affect the ability to value and sell them (liquidity risk).

Morningstar: Rankings and/or ratings as of June 30, 2021. **Rankings:** The percentile rankings are based on the average annual total returns for the periods stated and do not include any sales charges, but do include reinvestment of dividends and capital gains and Rule 12b-1 fees. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1.

Ratings: The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and openended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account sales loads.

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OTHER CONSIDERATIONS: (1) A core business activity is one that accounts for more than 10% of the relevant company's revenue.

(3) Country weightings arise from our bottom-up fundamental analysis. The team seeks superior companies that are attractively valued regardless of country of domicile.

Please consider the investment objective, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. To obtain a prospectus, download one at morganstanley.com/im or call 1-800-548-7786. Please read the prospectus carefully before investing.

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