

Morgan Stanley

INVESTMENT MANAGEMENT

MORGAN STANLEY INSTITUTIONAL FUND

Emerging Markets Leaders Portfolio

At Morgan Stanley Investment Management, our Global Emerging Markets team takes a benchmark-agnostic approach to focus on the future drivers of growth across the emerging markets. In today's low-return world, consider the Emerging Markets Leaders Portfolio.

**ACTIVE
FUNDAMENTAL EQUITY**
GLOBAL EMERGING MARKETS
INVESTMENT IDEA
JUNE 2020

SYMBOLS

Class A	MELAX
Class C	MEMLX
Class I	MELIX
Class IS	MELSX



**OVERALL MORNINGSTAR RATING™
FOR CLASS I**

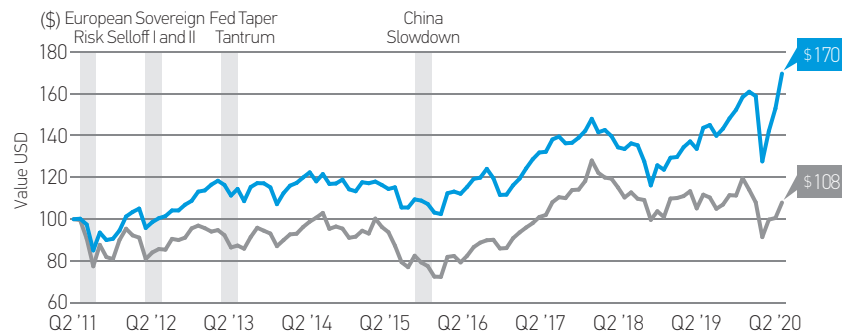
Out of 704 Diversified Emerging Mkts category funds based on risk-adjusted returns.

Finding Future Growth

Finding future growth has become more challenging. While some areas within the emerging markets are growing faster than in the last decade, others have slowed significantly. By taking a benchmark-agnostic view that focuses on quality companies, our team seeks to target pockets of growth and build an active, focused portfolio of companies best positioned to benefit from that growth.

We believe this differentiated approach has improved our ability to compound returns, decrease volatility and earn higher, more stable returns for our investors over time.

Mitigating downside risk has led to higher, more stable returns over time—the power of compounding



— MSIF Emerging Markets Leaders Portfolio Class I (gross of fees)
— MSCI Emerging Markets Net Index

Returns during the four worst quarters for MSCI EM Index since 6/30/11

	Q3 '11 EUROPEAN SOVEREIGN RISK SELLOFF I	Q2 '12 EUROPEAN SOVEREIGN RISK SELLOFF II	Q2 '13 FED TAPER TANTRUM	Q3 '15 CHINA SLOWDOWN
Fund (Class I shares)	-15.0%	-4.7%	-4.5%	-7.8%
Benchmark	-22.6%	-8.9%	-8.1%	-17.9%

Past performance is not indicative 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.

Source: Morgan Stanley Investment Management. Performance prior to the reorganization reflects the performance of the Private Fund. MSIF Emerging Markets Leaders Portfolio adopted the performance history of the Private Fund. Performance returns reflect the average annual rates of return. The Portfolio's performance shown is gross of investment advisory fees, is quoted in U.S.\$ and include the reinvestment of dividends and income. Had portfolio operating expenses been included, the returns would be lower and the results may differ. The MSIF Emerging Markets Leaders Portfolio cumulative returns in up months is 512.8% since June 2011. For the MSCI Emerging Markets Net Index, the cumulative returns in up months is 771.2%. The MSIF Emerging Markets Leaders Portfolio cumulative returns in down months is -73.2% since June 2011. For the MSCI Emerging Markets Net Index the cumulative returns in down months is -87.6%.

Please see back for standardized performance, disclosures and additional information on the agreement and plan of reorganization between the Private Fund and MSIF Emerging Markets Leaders Portfolio.

MSIF Emerging Markets Leaders Portfolio

1 Forward-looking thematic growth

We identify the best available investment growth themes in the emerging markets, and carry out extensive bottom-up research to select the stocks that we believe are best positioned to benefit. We seek to avoid cyclical business models that can destroy shareholder value during down markets.

2 Focus on high quality companies

We expand the universe to include companies that earn a majority of their revenues from emerging markets, but target only 25 to 40 companies with a focus on growth and quality. Our approach is risk-managed and unencumbered by a benchmark, with a high tracking error and low standard deviation.

3 Compounding effects

Our investment process enforces discipline on the entry/exit prices and our focus on high quality companies has enabled the strategy to reduce some of the volatility inherent in emerging market equities. This investment discipline has demonstrated, through multiple periods of market dislocations, the ability to achieve a strong risk adjusted profile, including the mitigation of significant drawdowns.

Investment Team

The MSIF Emerging Markets Leaders Portfolio is managed by Vishal Gupta along with senior members of the Global Emerging Markets team.



VISHAL GUPTA

Executive Director

Joined the firm in 2014,
15 years of financial industry experience.

Performance – Class I (% net of fees)

Average annual total return (Periods ending June 30, 2020)

	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION (6/30/2011)
MSIF Emerging Markets Leaders Portfolio	6.46	16.70	7.39	6.97	4.91
MSCI Emerging Markets Net Index	-9.78	-3.39	1.90	2.86	0.85
Morningstar Diversified Emerging Markets	-9.92	-4.21	0.84	2.09	0.55

Fund Snapshot²

Number of Holdings	29
Active Share (%)	80.04
Standard Deviation (%)	19.48
Standard Deviation (Benchmark) (%)	18.52

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

The gross expense ratio is 1.57% for Class I shares and the net expense ratio is 1.20%. 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 generally is \$5,000,000 for Class I shares.

Pursuant to an agreement and plan of reorganization, between the fund, on behalf of the Emerging Markets Leaders Portfolio (the "Portfolio"), and Morgan Stanley Emerging Markets Leaders Fund (Cayman) LP (the "Private Fund"), a private fund managed by Morgan Stanley Investment Management Inc., the Portfolio's adviser, on January 6, 2015, the Portfolio acquired substantially all of the assets and liabilities of the Private Fund in exchange for shares of the Portfolio (the "Reorganization"). The Private Fund commenced operations on June 30, 2011, and had an investment objective, policies, and strategies that were, in all material respects, the same as those of the Portfolio, and was managed in a manner that, in all material respects, complied with the investment guidelines and restrictions of the Portfolio. However, the Private Fund was not registered as an investment company under the Investment Company Act of 1940 (the "1940 Act"), and therefore was not subject to certain investment limitations, diversification requirements, liquidity requirements, and other restrictions imposed by the 1940 Act and the Internal Revenue Code of 1986, as amended, which, if applicable, may have adversely affected its performance. The Portfolio adopted the performance history of the Private Fund. As a result, the historical performance information shown reflects, for the periods prior to the Reorganization, the historical performance of the Private Fund. The performance of the Private Fund has been restated to reflect any applicable sales charge but is otherwise not adjusted to reflect differences in expenses between the Private Fund and each Class. If adjusted to reflect such difference in expenses, returns would be different.

² As of June 30, 2020. Standard deviation is for three-year period.

Returns are net of fees and assume the reinvestment of all dividends and income. Returns for less than one year are cumulative (unannualized). Performance of other share classes will vary.

DEFINITIONS: The MSCI Emerging Markets Net Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global emerging markets. The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to invest directly in an index. The Morningstar Diversified Emerging Markets category consists of portfolios that tend to divide their assets among 20 or more nations, with a focus on the emerging markets. Active share is the fraction of the Portfolio or fund that is invested differently than its benchmark. Standard deviation measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value.

¹ This information represents how the portfolio management team generally implements its investment process under normal market conditions. The targets presented are typical ranges.

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MORNINGSTAR: As of 06/30/2020. Diversified Emerging Mkts category. Class I Shares. 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 open-ended 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

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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, 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 the risks generally associated with investments in foreign developed markets. 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. Derivatives may disproportionately increase losses and may have a potentially large negative 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 public traded securities (liquidity risk). 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 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 you invest or send money.

Morgan Stanley Institutional Fund Inc. (MSIF) is a mutual fund offering various active portfolios, including equity, fixed-income, international, emerging markets, real estate and growth portfolios.

Fund adviser MSIF is managed by Morgan Stanley Investment Management, Inc.

Morgan Stanley Investment Management is the asset management division of Morgan Stanley.

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