Morgan Stanley
INVESTMENT MANAGEMENT

MORGAN STANLEY INSTITUTIONAL FUND
Emerging Markets Portfolio

The Global Emerging Markets team believes that future economic growth matters for equity market returns in emerging markets. The team has determined that there are ten chief factors that drive a country’s future growth, and have developed their proprietary Rules of the Road framework to guide top-down allocation. The framework also helps mitigate downside participation by minimizing exposure to countries with such vulnerabilities as high debt levels, stagnant political situations and overvalued currencies.

Looking across the entire emerging markets universe, the team seeks to identify themes, countries and quality companies likely to deliver sustainable growth over the next three- to five-years. Their process results in a high-conviction portfolio of 70-90 stocks with higher quality and growth characteristics than the benchmark.

Original macro-thematic research
A dedicated research team conducts original macro-thematic research to identify drivers of growth in emerging markets. This provides a framework to build an active portfolio of quality companies in attractive countries where the team has identified compelling growth opportunities.

A diversified core portfolio of quality stocks
The final portfolio of 70-90 stocks represents, in the team’s view, the most attractive future growth opportunities across the emerging markets universe. The portfolio has a contrarian bias in seeking neglected parts of emerging markets which offer some of the most compelling yet underappreciated growth opportunities that meet the team’s return hurdles.

Nearly three decades of experience
The Global Emerging Markets team has managed a dedicated GEM portfolio since 1991. The team conducts on-the-ground research, with an established team of more than 20 investors based in New York, Singapore, Hong Kong and India. Drawing on the team’s global macro-thematic backdrop, this local presence helps provide valuable insight to decision-making.

Higher quality and more growth oriented than the index

<table>
<thead>
<tr>
<th></th>
<th>Return on Equity</th>
<th>Net Debt/EBIT</th>
<th>3-Syr. EPS Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent (Higher = Quality)</td>
<td>Ratio (Lower = Quality)</td>
<td>Percent (Higher = Growth)</td>
</tr>
<tr>
<td>Portfolio</td>
<td>16.8</td>
<td>12.6</td>
<td>19.2</td>
</tr>
<tr>
<td>EM Index</td>
<td>-0.20</td>
<td>1.40</td>
<td>13.8</td>
</tr>
</tbody>
</table>

Source: Data as of December 31, 2020. MSIM analysis, MSCI, Bloomberg, FactSet, Haver. Median data for all holdings in portfolio and the index. The ‘EM Index’ quoted is the MSCI Emerging Markets Index. ‘EBIT’ refers to earnings before interest and taxes. ‘EPS’ refers to earnings per share. Past performance should not be construed as a guarantee of future performance.
Investment Performance – Class I (% net of fees)
Average annual total return (Periods ending December 31, 2020)

<table>
<thead>
<tr>
<th></th>
<th>1 YEAR</th>
<th>5 YEARS</th>
<th>10 YEARS</th>
<th>INCEPTION (09/25/1992)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSIF Emerging Markets Portfolio</td>
<td>14.58</td>
<td>10.26</td>
<td>3.11</td>
<td>7.78</td>
</tr>
<tr>
<td>MSCI Emerging Markets Net Index</td>
<td>18.31</td>
<td>12.81</td>
<td>3.63</td>
<td>7.81</td>
</tr>
<tr>
<td>Morningstar Diversified Emerging Markets</td>
<td>17.90</td>
<td>11.75</td>
<td>3.63</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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 1.16% for Class I shares and the net expense ratio is 1.05%. 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.

DEFINITIONS:
The MSCI Emerging Markets Net Index is a free float-adjusted market capitalization-weighted index that is designed to measure equity market performance of emerging markets. The term “free float” represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The MSCI Emerging Markets Index currently consists of 27 emerging-market country indices. The performance of the index is listed in U.S. dollars and assumes reinvestment of net dividends. The index does not include any expenses, fees or sales charges, which would lower performance. The index is unmanaged and should not be considered an investment. 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. Earnings before interest and taxes (EBIT) is a measure of a firm’s profit that includes all incomes and expenses except interest expenses and income tax expenses. Earnings per share (EPS) growth is the weighted average of earnings per share growth for all securities in the portfolio projected for the past five fiscal years. Earnings per share for a company is defined as total earnings divided by shares outstanding. Return on Equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation’s profitability by revealing how much profit a company generates with the money shareholders have invested. Standard deviation measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value.

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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 countries. Derivative instruments can be illiquid, may disproportionately increase losses and may have a potentially large negative impact on the portfolio’s performance. 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).

Please consider the investment objective, risks, charges and ex-penses 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 Investment Management is the asset management division of Morgan Stanley.

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