Looking for a high-quality ESG-integrated portfolio?

We believe that considering environment, social and governance factors (ESG) is essential to compounding. Global Sustain, our newest offering, seeks to invest in high quality companies that can compound at sustainably high rates of return on operating capital. The fund excludes companies with significant business in tobacco, alcohol, adult entertainment, gambling, civilian firearms or weapons, bulk commodities, fossil fuels and gas or electric utilities.

The result is a high-conviction global equity portfolio that is strong on engagement, low on carbon and built on quality. Our analysis shows that Global Sustain is the highest quality ESG integrated portfolio versus its ESG peers.

1 Strong on engagement

We engage directly – and often – with the management of companies we own. This gives us significant influence in key issues, including ESG-oriented ones.

2 Low on carbon

Global Sustain is a reduced carbon intensity portfolio, with less than 10% of the carbon footprint of an average company in the MSCI World Index.

3 Built on quality

The team seeks sustainably high return businesses that can compound over long periods. This has historically resulted in a portfolio that had higher returns on operating capital and greater margin stability than its ESG peers.

2020 meetings and engagements

Management Meetings: 369
ESG Engagements: 205

Tons CO₂e / $m Invested

Global Sustain: 5
Top 30 ESG Funds: 52
MSCI World: 81

Global Sustain versus ESG Peers

ROOCE (Return on Operating Capital Employed) = EBITA (Earnings Before Interest, Taxes and Amortization)/PPE (Property, Plant, Equipment) + Trade Working Capital (excluding goodwill). Ex-Financials. EBIT Margin Stability is (1-(std deviation)/mean))10 year average. Free cash flow yield is a financial ratio that measures a company’s operating free cash flow minus its capital expenditures per share and dividing by its price per share. Free cash flow yield ratio is calculated by using the underlying securities of the fund. Data as of March 31, 2021, updated quarterly.

Symbols

Class A: MGQAX
Class C: MSGQX
Class I: MGQIX
Class IS: MGQSX

1 Morningstar Ratings: Overall Rating based on risk-adjusted return, out of 762 funds as of 03/31/2021 in the World Large Stock Category – Class I shares. Ratings: 3 Year 4 stars (762 funds), 5 Year 4 stars (645 funds).
2 All interactions between International Equity Team portfolio managers and company management or non-executive board members from January 1, 2020 – December 31, 2020 where material E, S, or G factors discussed. Data updated semi annually.
3 MSCI ESG Research defines a portfolio’s carbon footprint as the carbon emissions (Scope 1 and 2) of a portfolio per million dollars invested. They sum up all the emissions in a portfolio based on the investor’s ownership share, using reported or estimated emissions data.
4 ROOCE (Return on Operating Capital Employed) = EBITA (Earnings Before Interest, Taxes and Amortization)/PPE (Property, Plant, Equipment) + Trade Working Capital (excluding goodwill). Ex-Financials. EBIT Margin Stability is (1-(std deviation)/mean))10 year average. Free cash flow yield is a financial ratio that measures a company's operating free cash flow minus its capital expenditures per share and dividing by its price per share. Free cash flow yield ratio is calculated by using the underlying securities of the fund. Data as of March 31, 2021, updated quarterly.

See next page for standardized performance.
High conviction approach
Top 10 holdings as of March 31, 2021 are over 40% of assets

<table>
<thead>
<tr>
<th>SECURITY NAME</th>
<th>SECTOR</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microsoft</td>
<td>Information Technology</td>
<td>7.2</td>
</tr>
<tr>
<td>Reckitt Benckiser</td>
<td>Consumer Staples</td>
<td>6.0</td>
</tr>
<tr>
<td>Visa</td>
<td>Information Technology</td>
<td>5.3</td>
</tr>
<tr>
<td>SAP</td>
<td>Information Technology</td>
<td>4.9</td>
</tr>
<tr>
<td>Henkel</td>
<td>Consumer Staples</td>
<td>4.8</td>
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<tr>
<td>Accenture</td>
<td>Information Technology</td>
<td>4.8</td>
</tr>
<tr>
<td>Baxter International</td>
<td>Health Care</td>
<td>4.3</td>
</tr>
<tr>
<td>Procter &amp; Gamble</td>
<td>Consumer Staples</td>
<td>4.2</td>
</tr>
<tr>
<td>Automatic Data Processing</td>
<td>Information Technology</td>
<td>3.9</td>
</tr>
<tr>
<td>Medtronic</td>
<td>Health Care</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>49.1</strong></td>
</tr>
</tbody>
</table>

Quality, reasonably priced

<table>
<thead>
<tr>
<th>ROCE1 %</th>
<th>Gross Margin %</th>
<th>Net Debt to EBITDA x</th>
<th>Free Cash Flow Yield%4</th>
<th>Price / Earnings x</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.9</td>
<td>50.8</td>
<td>28.2</td>
<td>1.1</td>
<td>2.3</td>
</tr>
</tbody>
</table>

INDEX INFORMATION
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 prices of securities. The Portfolio is subject to risks associated with investing in emerging market countries. Investing in emerging market countries entails 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 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.

Morningstar ratings are 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. Morningstar Sustainability Rating is as of 12/31/2020. The Morningstar Sustainability Rating is intended to measure how well the issuing companies of the securities within a fund’s portfolio are managing their environmental, social and governance (ESG) risks and opportunities relative to the fund’s Morningstar category peers. A High Sustainability Rating equals 5 globes and Low equals 1 globe. As part of the evaluation process, Morningstar uses Sustainalytics’ ESG scores from the same month as the portfolio as of date. The Fund’s portfolio is actively managed and is subject to change, which may result in a different Morningstar Sustainability Score and Rating each month. The Fund was rated on 98.7% of assets under management. The Morningstar Low Carbon Risk Indexes are derived from the large and midcap segment of their equivalent broad market benchmark. To be eligible, a company must have undergone a carbon risk assessment by Sustainalytics, which provides carbon research on more than 40,000 companies across 180 industry groups. Portfolios that have low carbon-risk scores and low levels of fossil-fuel exposure receive the Morningstar Low Carbon Designation to help investors identify low-carbon funds. The Morningstar information contained herein; (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Morningstar is not responsible for any damages or losses arising from any use of this information. Please visit morgansanford.com/im for the latest month-end Morningstar information. ©2021 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranteed to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Morningstar information is based on quarter-end data. Please visit morganstanley.com/im for the latest month-end Morningstar information.

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