

# Morgan Stanley Institutional Fund

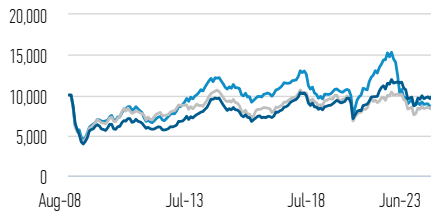
## Next Gen Emerging Markets Portfolio

**Investment Objective:** Seeks long-term capital appreciation.

**Investment Approach:** We focus on overlooked areas of frontier and small emerging markets. Our goal is to identify the next generation of investment ideas and secular themes based on growth potential, consumer demand and large addressable markets, yet which remain underinvested by global equity investors. Based on an integrated top-down and bottom-up process, we run a concentrated portfolio of high quality companies which we believe have the capacity to generate attractive and sustainable returns over the long-term.

### Class I Shares (% net of fees) vs. Index

Performance of 10,000 USD Invested Since Inception (Cash Value (\$))



— Class I Shares  
— MSCI Frontier Emerging Markets Net Index  
— Blended Index

### Investment Team

Investment Team	JOINED FIRM	INDUSTRY EXPERIENCE
Steven Quattry	2011	19 Years

Team members may be subject to change at any time without notice. Effective December 6, 2022 Jorge Chirino is no longer serving as Portfolio Manager on the Portfolio.

### Investment Performance (% net of fees) in USD

	Cumulative (%)			Annualized (% p.a.)			
	2Q23	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	-2.04	-0.71	-2.11	-3.73	-4.04	-0.55	-0.92
MSCI Frontier Emerging Markets Net Index	2.00	4.43	4.10	2.98	-1.33	0.44	-1.02
Blended Index	2.00	4.43	4.10	6.83	2.59	3.56	-0.08

### Calendar Year Returns (%)

	2022	2021	2020	2019	2018	2017	2016
Class I Shares	-37.59	15.34	14.02	12.53	-22.60	20.82	3.83
MSCI Frontier Emerging Markets Net Index	-18.18	4.29	-2.66	14.10	-14.60	26.79	5.00
Blended Index	-18.18	18.49	1.43	17.99	-16.41	31.86	2.66

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](http://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 shown for the Fund's Class I shares reflects the performance of the common shares of the Frontier Predecessor Fund for periods prior to September 17, 2012 (see back page for more details).

Effective June 30 2021, the Morgan Stanley Frontier Markets Portfolio was renamed to Morgan Stanley Next Gen Emerging Markets Portfolio, with an expanded investment universe to include equity securities of companies operating in emerging market countries, which include frontier emerging market countries, and an updated investment approach to reflect top-down allocations are made at the macro and thematic levels. Please see the prospectus for more details.

Performance and fund information is as of June 30, 2023, 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	MFMPX	61760X810	2.66	1.60
Class C	MSFEX	61760X331	3.75	2.35
Class I	MF MIX	61760X836	2.30	1.25
Class R6	MSRFX	61760X562	2.24	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 is \$1,000,000 for Class I shares.

### EMERGING MARKETS EQUITY TEAM

#### Morningstar Rankings - Class I

	PERCENTILE	RANK/TOTAL IN CATEGORY
1 YR	93	753/816
3 YR	95	685/723
5 YR	98	635/646
10 YR	98	379/385

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

#### Fund Facts

Inception date	August 25, 2008
Total net assets	\$ 34.49 million
Primary Benchmark <sup>1</sup>	MSCI Frontier Emerging Markets Net Index
Custom benchmark <sup>2</sup>	Blended Index
Distribution frequency	Annually

#### Statistics (3 Year Annualized)

	CLASS I	INDEX
Alpha (%)	-9.96	--
Beta (vs. benchmark)	0.89	1.00
Excess return (%)	-10.56	--
Information ratio	-0.74	--
R squared	0.49	1.00
Sharpe ratio	-0.25	0.35
Standard deviation (%)	19.92	15.72
Tracking error (%)	14.26	--
Up-capture ratio (%)	72.65	100.00
Down-capture ratio (%)	123.48	100.00

Risk/Return statistics shown are calculated versus the Blended Benchmark when an Index is used in the calculation.

#### Characteristics

	FUND	INDEX
Active share (%)	86.94	--
Number of holdings	29	121
5 year EPS growth (%)	14.99	7.10
Price/earnings (NTM) <sup>†</sup>	11.85	9.57
Return on equity (%)	21.46	15.08
Net Debt/EBIT	25.99	42.32
Turnover (%) <sup>*</sup>	78	--

<sup>†</sup> NTM = Next Twelve Months.

<sup>\*</sup> Turnover is sourced from the fund's current prospectus.

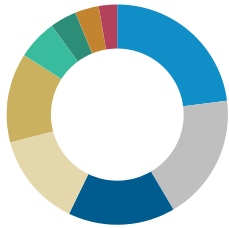
#### Market Cap Weights

(% of Total Net Assets) <sup>#</sup>	FUND	INDEX
> \$20B	13.13	8.22
\$7-20B	12.08	31.21
\$3.5-7B	24.75	35.07
\$1-3.5B	25.08	23.29
< \$1B	24.97	2.21

#### Top Countries

(% of Total Net Assets) <sup>#</sup>	FUND	INDEX
Poland	19.24	--
Vietnam	19.06	14.32
Indonesia	16.45	--
United States	9.18	--
Philippines	8.61	29.19
Kazakhstan	7.87	4.01
Kenya	3.48	1.82
Pakistan	2.99	0.30
Bangladesh	2.97	2.18
United Kingdom	2.62	--
Other	5.73	48.18
Cash	2.72	--

## Sector Allocation (% of Total Net Assets)<sup>#</sup>



	FUND	INDEX
Information Technology	23.21	--
Financials	18.72	40.05
Consumer Staples	15.79	6.94
Consumer Discretionary	13.88	1.43
Communication Services	13.28	6.35
Materials	5.87	9.92
Energy	3.97	3.80
Health Care	3.51	3.85
Cash	2.72	--

## Top Holdings (% of Total Net Assets)

	FUND	INDEX
FPT Corp	7.82	--
11 Bit Studios S.A.	7.17	--
LiveChat Software S.A.	5.64	--
Industri Jamu dan Farmasi Sido Muncul Tbk PT	5.05	--
PT Bank Mandiri Tbk	4.64	--
NAC Kazatomprom JSC	3.97	1.17
Kaspi.KZ JSC	3.91	2.04
MercadoLibre Inc	3.82	--
Mobile World Investment Corp	3.71	--
PT Medikaloka Hermina Tbk	3.51	--
<b>Total</b>	<b>49.24</b>	<b>--</b>

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

Further to the prospectus supplement issued on April 30, 2021 and subject to shareholder approval secured on August 6, 2021, the MSIF Emerging Markets Small Cap Portfolio was merged into the MSIF Next Gen Emerging Markets Portfolio on or about Friday August 13, 2021.

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. **Earnings per share (EPS) growth** is the weighted average of earnings per share growth for all securities in the portfolio projected for the past three fiscal years. Earnings per share for a company is defined as total earnings divided by shares outstanding. **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. **Net Debt to EBIT** ratio shows you how able a company is to pay interest and capital on its net debt outstanding. Calculation = (Long-term debt + Short term debt - Cash) / Earnings before interest and taxes (EBIT). **Price/earnings (NTM)** This forward P/E ratio estimates a company's likely earnings per share for the next 12 months. **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. **Return on equity (ROE)** is the amount of net income returned as a percentage of shareholders equity. **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:** <sup>(1)</sup> The MSCI Frontier Emerging Markets Net Index is a free float-adjusted market capitalization index designed to serve as a benchmark covering all countries from the MSCI Frontier Markets Index and the lower size spectrum of the MSCI Emerging Markets Index. <sup>(2)</sup> The Blended Index performance shown is calculated using the MSCI Frontier Markets Net Index from inception through 29 June 2021 and the MSCI Frontier Emerging Markets Net Index thereafter.

The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to invest directly in an index. Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor.

**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. The risks of investing in **frontier emerging markets** are greater than risks associated with investments in other foreign or U.S. issuers and they are often considered highly speculative in nature. Investment opportunities in many frontier emerging markets may be **concentrated in the banking industry**, which could have a disproportionate impact on the portfolio's performance. 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. 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. **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).

**Morningstar:** As of June 30, 2023. **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.

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Pursuant to an agreement and plan of reorganization between Morgan Stanley Institutional Fund, Inc., on behalf of the Fund, and Morgan Stanley Frontier Emerging Markets Fund, Inc. (the "Frontier Predecessor Fund"), on September 17, 2012 the Fund acquired all of the assets and liabilities of the Frontier Predecessor Fund in exchange for Class I shares of the Fund (the "Frontier Reorganization"). As a result of the Frontier Reorganization, the Fund is the accounting successor of the Frontier Predecessor Fund. The historical performance information shown reflects, for the period prior to the Frontier Reorganization, the historical performance of the Frontier Predecessor Fund. The Frontier Predecessor Fund may have performed differently if it were an open-end fund since closed-end funds are generally not subject to the cash flow fluctuations of an open-end fund.

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](https://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.