

Morgan Stanley

INVESTMENT MANAGEMENT

MORGAN STANLEY INSTITUTIONAL FUND

Global Concentrated Portfolio

APPLIED EQUITY
ADVISORS TEAM

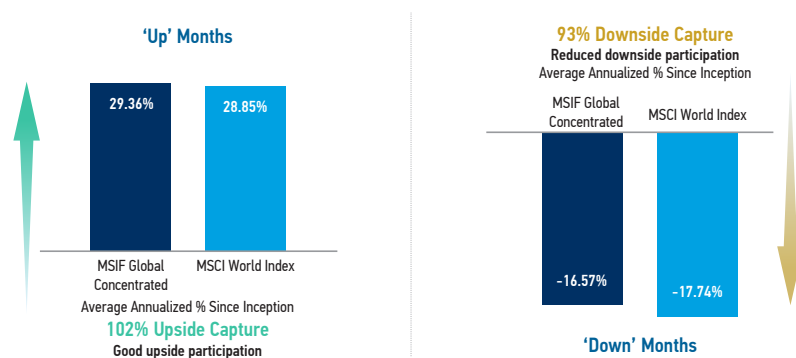
INVESTMENT IDEA
DECEMBER 31, 2022

SYMBOLS

Class A	MLNAX
Class C	MLNCX
Class I	MLNIX
Class R6	MLNSX

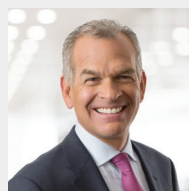
The team combines the best of fundamental and quantitative research with the experience and judgement of long-tenured portfolio managers. The result is a highly active, concentrated portfolio with a heavy emphasis on risk-control throughout the investment process and portfolio construction. The approach has helped to generate alpha in both "Up" or "Down" markets.

Flexibility Has Allowed the team to generate alpha, in an 'Up' or 'Down' Market¹



"The only consistency to investing is behavioral. The cycle of fear and greed will not change. And that creates inefficiencies in the market. We think the key is to maintain a flexible and open-minded approach in order to capitalize on these investment opportunities."

— Andrew Slimmon, Head Applied Equity Advisors



1 A flexible approach that adapts to changing markets

Identifying changes in key market drivers is designed to help the team capture leadership changes across value, growth, and defensive styles - and position the portfolio accordingly.

2 Two sources of potential excess return

The process combines:

- 1) Quantitative and
- 2) Fundamental analysis, including a sustainability overlay, affording investors two distinct sources of potential excess return.

3 An overlay of human judgment

Portfolio managers' long-tenured experience serves as an important component in both style positioning and final stock selection.

¹ Source: MSCI, MSIM as of 12/31/2022. Upside and downside capture for Class I shares. The comparison index is the MSCI World Index with Net dividends reinvested. MSIF Global Concentrated Portfolio's inception date is 5/27/2016. The Upside or Downside capture ratio measures the portfolio's performance relative to the market in up or down markets. A market is considered down if the return for the benchmark is less than zero and up if the return is greater than or equal to zero. The Downside Capture Ratio is calculated by dividing the portfolio's return during the down market periods by the return of the market during the same periods; for periods greater than 1 year, returns are annualized. The Upside Capture Ratio is calculated by dividing the portfolio's return during the up market periods by the return of the market for the same period; for periods greater than 1 year, returns are annualized.

Past performance is not indicative of future results. For illustrative purposes only and is not meant to depict the performance of any fund investment.

Global Concentrated Portfolio Top Ten Holdings (% of assets)

As of December 31, 2022

POSITION	SECTOR	COUNTRY	FUND	INDEX
LVMH Moet Hennessy Louis Vuitton SE	Consumer Discretionary	France	9.52	0.40
HDFC Bank Ltd	Financials	India	7.98	–
Microsoft Corp	Information Technology	United States	7.36	3.41
Waste Management Inc	Industrials	United States	6.72	0.13
Ferrari NV	Consumer Discretionary	Italy	6.71	0.05
United Rentals Inc	Industrials	United States	6.11	0.05
Taiwan Semiconductor Mfg Co. Ltd	Information Technology	Taiwan	6.03	–
Tencent Holdings Ltd	Communication Services	China	5.53	–
Ameriprise Financial Inc	Financials	United States	5.18	0.07
Nextera Energy Inc	Energy	United States	4.97	0.33
Total			66.11	

Investment Performance (% net of fees) in USD

As of December 31, 2022

	CUMULATIVE			ANNUALIZED			SINCE INCEPTION (05/27/16)
	4Q22	YTD	1 YR	3 YR	5 YR	10 YR	
Class I Shares	7.45	-22.28	-22.28	4.19	5.15	–	7.51
MSCI World	9.77	-18.14	-18.14	4.94	6.14	–	8.76
Net Index							

Characteristics

As of December 31, 2022

	FUND	INDEX
Active Share (%)	93.35	–
Number of holdings	19	1,508
Price/Earnings (NTM) ²	18.22	15.08
Turnover (%) ³	33	–
Weighted average market capitalization (\$B)	279.8	279.21

Source: Morgan Stanley Investment Management. The list of Top 10 Holdings is provided for illustrative purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned. Holdings are dated and subject to change daily.

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 December 31, 2022, unless otherwise noted. The gross expense ratio is 1.18% for Class I shares and the net expense ratio is 1.01%. Expenses are based on the fund's current prospectus. 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. The minimum initial investment is \$1,000,000 for Class I shares. Performance, expenses and minimums for other share classes will vary.

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. 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.

² NTM = Next Twelve Months.

³ Turnover is sourced from the fund's current prospectus.

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. **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 100 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. **Portfolio Turnover** is when a portfolio may engage in active and frequent trading of its portfolio securities. A **high portfolio turnover** rate could result in high brokerage costs and an increase in taxable capital gains distributions. **Weighted average market capitalization** is an average of the market capitalization of stocks held by a portfolio or comprising an index, adjusted by each stock's corresponding weight in the portfolio or index.

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. Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor.

RISK CONSIDERATIONS: There is no assurance that a mutual fund will achieve its investment objective. Funds are subject to market risk, which is the possibility that the market values of securities owned by the fund will decline and that the value of fund 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 fund. Please be aware that this fund may be subject to certain additional risks. In general,

equities securities' values also fluctuate in response to activities specific to a company. **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. Investments in **foreign markets** entail special risks such as currency, political, economic, market and liquidity risks. **Illiquid securities** may be more difficult to sell and value than publicly 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. **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. **ESG:** There is no assurance strategies that incorporate ESG factors will result in more favorable investment performance.

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.

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.

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

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