

Quarterly Emerging Markets Equity Fund Spotlight

EMERGING MARKETS EQUITY TEAM | SPOTLIGHT | JUNE 30, 2023

TEAM OVERVIEW: The MSIM Emerging Markets Equity team's investment strategies range from core to concentrated approaches, applying active decision-making to identify the most attractive opportunities resulting in high conviction portfolios. The Emerging Markets Equity Team is led by Amy Oldenburg.

PRODUCT	MSIF PASSPORT OVERSEAS EQUITY PORTFOLIO# ¹	MSIF EMERGING MARKETS LEADERS PORTFOLIO [†]	MSIF NEXT GEN EMERGING MARKETS PORTFOLIO [‡]	MSIF EMERGING MARKETS PORTFOLIO#
Share Class: Ticker	I: MSACX A: MSIBX C: MSAAX R6: MAIJX	I: MELIX A: MELAX C: MEMLX R6: MELSX	I: MFMIX A: MFMPX C: MSFEX R6: MSRFX	I: MGEMX A: MMKBX C: MSEPX R6: MMMPX
Fund Inception Date	January 17, 1992	June 30, 2011	August 25, 2008	September 25, 1992
Portfolio Managers	Ben Rozin, Jitania Kandhari	Vishal Gupta	Steven Quattry	Paul Psaila, Amay Hattangadi, Eric Carlson
Primary Index	MSCI All Country World ex USA Index	MSCI Emerging Markets Net Index	MSCI Frontier Emerging Markets Net Index	MSCI Emerging Markets Net Index
Benchmark Awareness	Agnostic	Agnostic	Agnostic	Aware
Investment Universe	Developed, Emerging, Select Frontier Markets	Global Emerging Markets	Frontier Emerging Markets	Global Emerging Markets
Investment Style	Core	Quality growth	Quality growth	Core with quality growth bias
Investment Process¹	Integrated top-down & bottom-up (50:50)	Bottom-up (80%)	Integrated top-down & bottom-up (50:50)	Integrated top-down & bottom-up (50:50)
Target Number of Positions²	80-100 Stocks	25-40 Stocks	30-50 Stocks	70-90 Stocks
Total Assets: Fund Strategy	\$183.19 Mn \$228.20 Mn	\$326.04 Mn \$1.5 Bn	\$34.49 Mn \$167.77 Mn	\$504.52 Mn \$3.6 Bn
Expense Ratio³	Gross 1.08% Net 0.90%	Gross 1.15% Net 1.05%	Gross 2.30% Net 1.25%	Gross 1.07% Net 0.99%
Morningstar Category	Foreign Large Blend	Diversified Emerging Mkts	Diversified Emerging Mkts	Diversified Emerging Mkts
Morningstar Overall Rating^{TM, **} (# of funds)⁴	★★ (Out of 678 Funds)	★★★★ (Out of 723 Funds)	★ (Out of 723 Funds)	★★ (Out of 723 Funds)
Investment Performance (% net of fees)	Class I Shares⁹ Index Blended Index[^]	Class I Shares^{4,5} Index	Class I Shares^{6,7,8} Index Blended Index^{^^}	Class I Shares Index
QTD	-0.13 2.44 2.44	4.50 0.90	-2.04 2.00 2.00	3.68 0.90
YTD	11.16 9.47 9.47	5.86 4.89	-0.71 4.43 4.43	6.52 4.89
1 YR	11.24 12.72 12.72	2.88 1.75	-2.11 4.10 4.10	8.25 1.75
3 YR	6.73 7.22 7.22	2.39 2.32	-3.73 2.98 6.83	2.56 2.32
5 YR	4.91 3.52 3.52	5.89 0.93	-4.04 -1.33 2.59	0.60 0.93
10 YR	4.92 4.75 5.04	4.23 2.95	-0.55 0.44 3.56	1.95 2.95
INCEPTION	5.61 5.48 5.32	4.28 1.22	-0.92 -1.02 -0.08	6.46 6.45
Statistics (3 Year annualized)	Class I Shares Index Blended Index[^]	Class I Shares Index	Class I Shares Index Blended Index^{^^}	Class I Shares Index
Excess return (%)	-0.49 -- --	0.07 --	-10.56 -- --	0.24 --
Alpha (%)	-1.39 -- --	0.14 --	-9.96 -- --	0.21 --
Beta (vs. benchmark)	1.15 1.00 1.00	0.93 1.00	0.89 1.00 1.00	1.03 1.00
Standard deviation (%)	20.56 17.05 17.05	20.54 17.90	19.92 15.98 15.72	19.49 17.90
Tracking error (%)	6.58 -- --	12.05 --	14.26 -- --	6.12 --
Up-capture ratio (%)	116.56 100.00 100.00	111.26 100.00	72.65 100.00 100.00	107.73 100.00
Down-capture ratio (%)	119.39 100.00 100.00	109.41 100.00	123.48 100.00 100.00	105.75 100.00
Characteristics²	Fund Index	Fund Index	Fund Index	Fund Index
Return on equity (%)	18.99 15.18	17.00 15.48	21.46 15.08	19.81 15.48
5 year EPS growth (%)	12.25 11.88	24.85 15.93	14.99 7.10	19.05 15.93

For our Sales Desk, contact 1-855-332-5306. All data shown as of June 30, 2023, unless otherwise noted. Source: Morgan Stanley Investment Management and FactSet. ****Based on Risk Adjusted Return. 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, ratings and characteristics may differ for other share classes. Net of fees returns assume the reinvestment of all dividends and income. Returns for less than one year are cumulative (unannualized). Returns should not be a sole factor in an investment decision. An investor should review the fund's prospectus. See next page for additional important performance information.

† Other vehicles available are U.S. Pooled Trust, Canadian Pooled Trust and SMA

‡ Other vehicles available are SMA

^ The Blended Index performance shown is calculated using the MSCI EAFE Index from inception through 12/30/2016 and the MSCI All Country World ex USA Index Net Index thereafter.

^^ 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.

Shares of the portfolio redeemed within 30 days of purchase will be subject to a 2% redemption fee, payable to the portfolio. The redemption fee is designed to protect the portfolio and its remaining shareholders from the effects of short-term trading.

1 Represents how the portfolio management team generally implement their investment process under normal market conditions.

2 Information provided represents a typical range, not a maximum number. The portfolio may exceed this from time to time due to market conditions and outstanding trades.

3 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/Trustees acts to discontinue all or a portion of such waivers and/or reimbursements. Absent such fee waivers/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, \$1,000 for Class A shares and Class C shares, and \$5,000,000 for Class R6 shares.

4 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.

5 Performance shown for the Emerging Markets Leaders Class I shares reflects the performance of the "Private Fund" for the periods prior to January 6, 2015.

6 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.

7 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.

8 Performance shown for the Next Gen Emerging Markets Class I Shares reflects the performance of the common shares of the "Frontier Predecessor Fund" for the periods prior to 09/17/12.

9 Effective May 31, 2023 the Morgan Stanley Institutional Fund Active International Allocation Portfolio was renamed to Morgan Stanley Institutional Fund Passport Overseas Equity Portfolio.

DEFINITIONS: 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. **Return on equity (ROE)** is the amount of net income returned as a percentage of shareholders equity. **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 DEFINITIONS: The MSCI All Country World ex USA Index is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets, excluding the United States. 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. Returns, including periods prior to January 1, 2001, are calculated using the return data of the MSCI All Country World ex USA Index (gross dividends) through December 31, 2000 and the return data of the MSCI All Country World ex USA Index (net dividends) after December 31, 2000. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. It is not possible to invest directly in an index. Effective January 1, 2017, the Fund's primary benchmark changed to MSCI All Country World ex USA Index because the Adviser believes the MSCI All Country World ex USA Index is a more appropriate benchmark for the Fund. The **MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the international equity market performance of developed markets, excluding the U.S. & Canada. The performance of the Indices is listed in U.S. dollars and assumes reinvestment of net dividends. 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 24 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 **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. Indices are unmanaged and do 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. The **MSCI Frontier Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets. The MSCI Frontier Markets Index currently consists of 24 frontier market country indices. The performance of the Index is calculated in U.S. dollars and assumes reinvestment of net dividends. "Net dividends" reflects a reduction in dividends after taking into account withholding of taxes by certain foreign countries represented in the Index.

Indices are unmanaged and do 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 strategy 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. 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. 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. Investment opportunities in many frontier emerging markets may be concentrated in the **banking industry**. Factors that have an adverse impact on this industry may have a disproportionate impact on the Portfolio's performance. By investing in **investment company securities**, the portfolio absorbs both its own advisory and administrative fees and those of the investment companies it invests in. 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. **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). **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. **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). **China risk.** Investments in China involve risk of a total loss due to government action or inaction. Additionally, the Chinese economy is export-driven and highly reliant on trade. Adverse changes to the economic conditions of its primary trading partners, such as the United States, Japan and South Korea, would adversely impact the Chinese economy and the Fund's investments. Moreover, a slowdown in other significant economies of the world, such as the United States, the European Union and certain Asian countries, may adversely affect economic growth in China. An economic downturn in China would adversely impact the Portfolio's investments. **Risks of investing through stock connect.** Any investments in A-shares listed and traded through Stock Connect, or on such other stock exchanges in China which participate in Stock Connect is subject to a number of restrictions that may affect the Portfolio's investments and returns. Moreover, Stock Connect A shares generally may not be sold, purchased or otherwise transferred other than through Stock Connect in accordance with applicable rules. The Stock Connect program may be subject to further interpretation and guidance. There can be no assurance as to the program's continued existence or whether future developments regarding the program may restrict or adversely affect the Portfolio's investments or returns. **ESG** Strategies that incorporate impact investing and/or Environmental, Social and Governance (ESG) factors could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. As a result, there is no assurance ESG strategies could result in more favorable investment performance. 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. **For additional risk considerations please refer to the fund's fact card and prospectus.**

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.

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

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 advisor** MSIF is managed by Morgan Stanley Investment Management, Inc.

***Passport Overseas Equity Portfolio:** Class I Shares 3 year 2 Stars out of 678 funds, 5 year 3 Stars out of 616 funds, 10 year 2 Stars out of 409 funds. **Emerging Markets Leaders Portfolio:** Class I Shares 3 year 3 Stars out of 723 funds, 5 year 5 Stars out of 646 funds. **Next Gen Emerging Markets Portfolio:** Class I Shares 3 year 1 Stars out of 723 funds, 5 year 1 Stars out of 646 funds, 10 year 1 Stars out of 385 funds. **Emerging Markets Portfolio:** Class I Shares 3 year 3 Stars out of 723 funds, 5 year 2 Stars out of 646 funds, 10 year 2 Stars out of 385 funds.

MORNINGSTAR CATEGORY DEFINITIONS: The Morningstar Foreign Large Blend category consists of portfolios that invest in a variety of big international stocks, among a dozen or more developed markets, including Japan, Britain, France, and Germany. 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.

Morningstar: As June 30, 2023. 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 loads.

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