

Quarterly Global Opportunity Spotlight

GLOBAL OPPORTUNITY TEAM | SPOTLIGHT | MARCH 31, 2023

TEAM OVERVIEW: Kristian Heugh is the Head of the Global Opportunity team and the lead investor for a suite of Morgan Stanley Institutional Funds (MSIF) portfolios. The Global Opportunity team creates high conviction, concentrated portfolios of undervalued, high quality businesses with Funds available on a global and regional basis.

PRODUCT	MSIF ASIA OPPORTUNITY PORTFOLIO		MSIF DEVELOPING OPPORTUNITY PORTFOLIO		MS EUROPE OPPORTUNITY	
Share Class: Ticker	I: MSAQX A: MSAUX C: MSAWX R6: MSAYX		I: MDOEX		I: EUGDX	
Inception Dates: Fund Strategy	December 29, 2015 December 31, 2015		February 14, 2020 December 31, 2017		July 28, 1997 April 30, 2020 ³	
Index	MSCI All Country Asia ex Japan Net Index		MSCI Emerging Markets Net Index		MSCI Europe Index	
Investment Universe	Asia ex Japan		Emerging Markets		Europe	
Turnover Range¹	Typically 20-50% annually		Typically 20-50% annually		Typically 20-50% annually	
Regional Focus	Asia ex Japan		Emerging Markets		Europe	
Total Assets: Fund Strategy	\$243.86 Mn \$5.4 Bn		\$73.15 Mn \$763.03 Mn		\$148.43 Mn \$1.6 Bn	
Expense Ratio²	Gross 1.05% Net 1.05%		Gross 1.23% Net 1.15%		Gross 1.30% Net 1.05%	
Advisory Fee	0.80%		0.90%		0.87%	
Morningstar Category	Pacific/Asia ex-Japan Stk		Diversified Emerging Mkts		Europe Stock	
Morningstar Overall Rating™ (# of funds)*	★★ (Out of 48 Funds)		★ (Out of 744 Funds)		★★ (Out of 93 Funds)	
Investment Performance (% net of fees)	Class I Shares	Index	Class I Shares	Index	Class I Shares	Index
3 Months	2.00	4.34	5.85	3.96	22.32	10.56
YTD	2.00	4.34	5.85	3.96	22.32	10.56
1 YR	-2.02	-8.90	-9.10	-10.70	-8.02	1.38
3 YR	1.92	6.95	1.62	7.83	12.73	15.00
5 YR	2.79	0.07	--	--	6.60	4.35
10 YR	--	--	--	--	5.55	5.36
INCEPTION**	10.83	5.82	-4.39	-1.15	5.26	5.13
Statistics (3 Year annualised)	Class I Shares	Index	Class I Shares	Index	Class I Shares	Index
Beta (vs. benchmark)	1.20	1.00	--	--	1.24	1.00
Sharpe ratio	0.04	0.29	--	--	0.41	0.71
Standard deviation (%)	27.48	20.45	--	--	28.45	19.72
Tracking error (%)	12.95	--	--	--	15.37	--
Characteristics	Fund	Index	Fund	Index	Fund	Index
Active share (%)	84.92	--	88.99	--	93.08	--
Return on invested capital (%)	37.74	19.16	46.76	19.82	47.70	22.85
Sales growth 3 year forward CAGR [^]	15.11	10.02	15.11	9.47	11.40	4.82
Net cash to equity (%)	4.0	-16	23	-20	-1	-44
Weighted average market capitalization (\$B)	86.14	81.43	77.13	71.39	57.66	86.88

** Since fund inception

[^] Source: FactSet Research Systems Inc.

For our Sales Desk, contact 1-855-332-5306.

Source: FactSet Research Systems Inc.; Morgan Stanley Investment Management

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. Ratings are based on Risk Adjusted Returns. Please refer to page 3 and 4 for standardized ratings and additional expense ratio information. 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. 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.

PRODUCT	MSIF GLOBAL OPPORTUNITY PORTFOLIO		MSIF INTERNATIONAL ADVANTAGE PORTFOLIO		MSIF INTERNATIONAL OPPORTUNITY PORTFOLIO	
Share Class: Ticker	I: MGGIX A: MGGPX C: MSOPX R6: MGTSX		I: MFAIX A: MFAPX C: MSIAX		I: MIOIX A: MIOPX C: MSOCX R6: MNOPX	
Inception Dates: Fund Strategy	May 30, 2008 December 31, 2007		December 28, 2010 December 31, 2010		March 31, 2010 March 31, 2010	
Index	MSCI All Country World Net Index		MSCI All Country World ex USA Index		MSCI All Country World ex USA Index	
Investment Universe	Global		International		International	
Turnover Range¹	Typically 20-50% annually		Typically 20-50% annually		Typically 20-50% annually	
Regional Focus	Global		International (ex USA)		International (ex USA)	
Total Assets: Fund Strategy	\$2.6 Bn \$22.7 Bn		\$3.5 Bn \$4.1 Bn		\$1.3 Bn \$14 Bn	
Expense Ratio²	Gross 0.92% Net 0.92%		Gross 0.97% Net 0.97%		Gross 0.99% Net 0.99%	
Advisory Fee	0.71%		0.76%		0.76%	
Morningstar Category	Global Large-Stock Growth		Foreign Large Growth		Foreign Large Growth	
Morningstar Overall Rating™ (# of funds)*	★★★ (Out of 308 Funds)		★★★★ (Out of 404 Funds)		★★★★ (Out of 404 Funds)	
Investment Performance (% net of fees)	Class I Shares	Index	Class I Shares	Index	Class I Shares	Index
3 Months	20.55	7.31	17.79	6.87	16.82	6.87
YTD	20.55	7.31	17.79	6.87	16.82	6.87
1 YR	-11.59	-7.44	-4.44	-5.07	-10.82	-5.07
3 YR	7.54	15.36	10.38	11.80	4.43	11.80
5 YR	5.85	6.93	6.32	2.47	1.93	2.47
10 YR	14.46	8.06	10.21	4.17	9.88	4.17
INCEPTION**	10.94	5.59	10.02	3.81	8.91	4.22
Statistics (3 Year annualised)	Class I Shares	Index	Class I Shares	Index	Class I Shares	Index
Beta (vs. benchmark)	1.32	1.00	1.21	1.00	1.36	1.00
Sharpe ratio	0.25	0.80	0.39	0.63	0.13	0.63
Standard deviation (%)	26.45	18.04	23.97	17.35	27.73	17.35
Tracking error (%)	12.89	--	12.13	--	15.76	--
Characteristics	Fund	Index	Fund	Index	Fund	Index
Active share (%)	94.21	--	93.75	--	93.20	--
Return on invested capital (%)	42.96	21.11	55.79	19.15	56.75	19.15
Sales growth 3 year forward CAGR [^]	14.22	6.04	12.00	6.56	14.15	6.56
Net cash to equity (%)	9	-31	-10	-26	23	-26
Weighted average market capitalization (\$B)	155.63	316.67	91.62	69.52	80.68	69.52

** Since fund inception

[^] Source: FactSet Research Systems Inc.

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Source: FactSet Research Systems Inc.; Morgan Stanley Investment Management

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Performance, ratings and characteristics may differ for other share classes. Ratings are based on Risk Adjusted Returns. Please refer to page 3 and 4 for standardized ratings and additional expense ratio information. 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. 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.

¹ 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.

² **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. The minimum initial investment is \$1,000 for Class A shares. The minimum initial investment is \$1,000 for Class C shares. The minimum initial investment is \$5,000,000 for Class R6 shares.**

³ The team inception date of the MS Europe Opportunity Fund is April 21, 2020. The inception date of the MS Europe Opportunity Fund is July 28, 1997. Effective April 14th, 2020, the Morgan Stanley European Equity Fund Inc. is renamed to Morgan Stanley Europe Opportunity Fund, Inc., the portfolio management team has changed, and the investment approach is revised. Prior to this date, the investment approach was "Seeks capital appreciation by investing in European companies that the investment team believes possess a prominent and sustainable position in their field, potentially enabling superior profitability and investment returns. The investment team combines quantitative filters with rigorous qualitative analysis to create a concentrated, high conviction portfolio."

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.

DEFINITIONS: **Active share** is the fraction of the portfolio or fund that is invested differently than its benchmark. A portfolio with a high degree of Active share does not assure a fund's relative outperformance. Active Share calculation may consolidate holdings with the same economic exposure. **Beta** is a measure of the relative volatility of a security or portfolio to the market's upward or downward movements. **Net cash to equity** is the ratio of a company's cash on hand against the total net worth of the company. **Return On Invested Capital (ROIC)** represents the rate of return a company makes on the cash it invests in its business. **Sharpe ratio** is a risk adjusted measure calculated as the ratio of excess return to standard deviation. The Sharpe ratio determines reward per unit of risk. The higher the Sharpe ratio, the better the historical risk-adjusted performance. **Sales growth 3 year forward CAGR** is the compound annual growth rate of sales from 2022 to 2025 based on FactSet consensus estimates. It is calculated by: $(\text{Sales (2025)} / \text{Sales (2022)})^{1/3} - 1$. **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. **Weighted Average Market Capitalization** represents a stock market index weighted by the market capitalization of each stock in the index. The **MSCI All Country World Net Index (ACWI)** is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets. The **MSCI All Country Asia ex Japan Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia, excluding Japan. 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 U.S. 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 index currently consists of 24 emerging markets countries. The index is listed in U.S. dollars and assumes reinvestment of net dividends. The **MSCI Europe Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe. 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 indexes are listed in U.S. dollars and assumes reinvestment of net dividends. All indices referenced are unmanaged and should not be considered an investment. 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 portfolios will achieve their investment objectives. 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 these portfolios. Please be aware that these portfolios may be subject to certain

additional risks. **Asia market** entails liquidity risk due to the small markets and low trading volume in many countries. In addition, companies in the region tend to be volatile and there is a significant possibility of loss. Furthermore, because the strategy concentrates in a single region of the world, performance may be more volatile than a global strategy. 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. Exchange traded funds (ETFs) shares have many of the same risks as direct investments in common stocks or bonds and their market value will fluctuate as the value of the underlying index does. By investing in exchange traded funds (ETFs), the portfolio absorbs both its own expenses and those of the ETFs it invests in. Supply and demand for ETFs may not be correlated to that of the underlying securities. 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. **European investments risk.** Adverse political, social or economic developments in Europe, or in a particular European country, could cause a substantial decline in the value of the Portfolio. In addition, because investments are concentrated in Europe, performance may be more volatile than a more geographically diversified set of investments. If one or more countries leave the European Union ("EU") or the EU dissolves, the world's securities markets likely will be significantly disrupted. The financial instability of some countries in the EU together with the risk of such instability impacting other more stable countries may increase the economic risk of investing in companies in Europe. The strategy may invest in **restricted and illiquid securities**, which may be difficult for the strategy to sell at a reasonable price (**Liquidity Risk**). **Derivative instruments** may disproportionately increase losses and have a significant impact on performance. They also may be subject to counterparty, liquidity, valuation, and correlation and market risks. **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). **Focused Investing.** To the extent that the Fund invests in a limited number of issuers, the Fund will be more susceptible to negative events affecting those issuers and a decline in the value of a particular instrument may cause the Fund's overall value to decline to a greater degree than if the Fund were invested more widely. **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. 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.

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.

***Asia Opportunity Portfolio:** Class I Shares 3 year 1 Stars out of 48 funds, 5 year 3 Stars out of 46 funds. **Developing Opportunity Portfolio:** Class I Shares 3 year 1 Stars out of 744 funds. **Europe Opportunity:** Class I Shares 3 year 1 Stars out of 93 funds, 5 year 4 Stars out of 87 funds, 10 year 2 Stars out of 51 funds. **Global Opportunity:** Class I Shares 3 year 1 Stars out of 308 funds, 5 year 2 Stars out of 271 funds, 10 year 5 Stars out of 180 funds. **International Advantage:** Class I Shares 3 year 2 Stars out of 404 funds, 5 year 4 Stars out of 350 funds, 10 year 5 Stars out of 231 funds. **International Opportunity:** Class I Shares 3 year 1 Stars out of 404 funds, 5 year 1 Stars out of 350 funds, 10 year 5 Stars out of 231 funds.

Morningstar: As March 31, 2023. World Large Stock Foreign Large Growth and Pacific/Asia ex-Japan Categories. 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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