

INVESTMENT MANAGEMENT

Morgan Stanley Institutional Fund

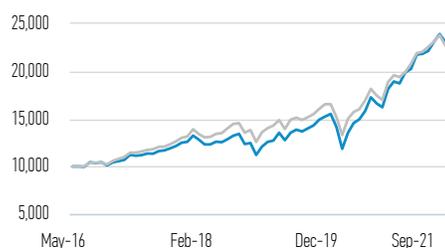
US Core Portfolio

Investment Objective: Seeks long-term capital appreciation.

Investment Approach: Seeks to outperform the benchmark regardless of which investment style – value or growth – is currently in favor. Their flexible approach combines quantitative models with stock-specific research to identify 30-60 companies in the U.S. with attractive valuations, above-average appreciation potential and competitive dividend yields

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

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



— Class I Shares
— S&P 500 Total Return Index

Investment Performance (% net of fees) in USD

	Cumulative (%)			Annualized (% p.a.)			
	3Q21	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	4.16	21.84	38.70	19.77	17.18	--	16.92
S&P 500 Total Return Index	0.58	15.92	30.00	15.99	16.90	--	16.58

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014
Class I Shares	24.20	36.01	-11.00	19.33	--	--	--
S&P 500 Total Return Index	18.40	31.49	-4.38	21.83	--	--	--

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 September 30, 2021, 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	MUOAX	61766J831	2.29	1.15
Class C	MUOCX	61766J823	3.07	1.90
Class I	MUOIX	61766J849	1.97	0.80
Class IS	MUOSX	61766J815	13.73	0.75

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 \$5,000,000 for Class I shares.



Morningstar Overall Rating

CLASS I SHARES

Out of 1257 Funds. Based on Risk Adjusted Return. Class I Shares: 3yr. rating 5 Stars; 5yr. rating 3 Stars.

Morningstar Category: Large Blend

Lipper Category: Multi-Cap Core

Morningstar Rankings - Class I

	PERCENTILE	RANK/TOTAL IN CATEGORY
1 YR	7	75/1380
3 YR	2	19/1257
5 YR	13	139/1102

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

Fund Facts

Inception date	May 27, 2016
Total net assets	\$ 76.30 million
Benchmark ¹	S&P 500 Total Return Index
Distribution frequency	Annually

Statistics

(3 Year Annualized)	CLASS I	INDEX
Alpha (%)	2.07	--
Beta (vs. benchmark)	1.12	1.00
Excess return (%)	3.78	--
Information ratio	0.75	--
R squared	0.96	1.00
Sharpe ratio	0.87	0.79
Standard deviation (%)	21.47	18.81
Tracking error (%)	5.03	--

Characteristics

	FUND	INDEX
Active share (%)	76.32	--
Number of holdings	35	505
Price/earnings (NTM) [†]	24.45	21.01
Weighted average market capitalization (\$B)	513.82	514.48
Turnover (%) [*]	54	--

[†] NTM = Next Twelve Months.

^{*} Turnover is sourced from the fund's current prospectus.

Sector Allocation (% of Total Net Assets)[#]

	FUND	INDEX
Financials	21.22	11.39
Information Technology	19.42	27.63
Health Care	12.05	13.25
Consumer Discretionary	11.79	12.36
Industrials	8.17	8.04
Communication Services	7.48	11.29
Consumer Staples	5.71	5.77
Real Estate	4.98	2.58
Energy	4.71	2.75
Utilities	2.09	2.46
Cash	2.81	--

Top Holdings (% of Total Net Assets)

	FUND	INDEX
Microsoft Corp	8.46	5.80
Apple Inc	7.99	6.08
Alphabet Inc	7.15	4.26
First Republic Bank	5.68	0.09
Danaher Corp	4.81	0.53
Ameriprise Financial Inc	4.72	0.08
SVB Financial Group	4.63	0.10
United Rentals Inc	4.27	0.07
Chevron Corp	4.22	0.54
JPMorgan Chase & Co.	3.99	1.34
Total	55.92	--

May not sum to 100% due to the exclusion of other assets and liabilities.

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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. **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. **Price/earnings (P/E)** is the price of a stock divided by its earnings per share. Sometimes called the multiple, P/E gives investors an idea of how much they are paying for a company's earning power. **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. **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. **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: (1) The **S&P 500 Index** measures the performance of the large cap segment of the U.S. equities market, covering approximately 80% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The S&P Index is one of the most widely used benchmarks of U.S. equity performance.

The index is unmanaged and do 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 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. **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.

Morningstar: Rankings and/or ratings as of September 30, 2021. **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.

Ratings: 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 openended 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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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 (MSIM) is the asset management division of Morgan Stanley.