

INVESTMENT MANAGEMENT

Morgan Stanley Institutional Fund

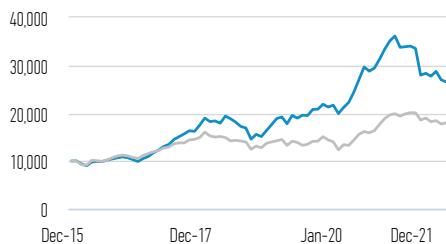
Asia Opportunity Portfolio

Investment Objective: Seeks long-term capital appreciation.

Investment Approach: The Portfolio seeks long-term capital appreciation by investing primarily in high quality established and emerging companies located in Asia (excluding Japan) that the investment team believes are undervalued at the time of purchase. To achieve its objective, the investment team typically favors companies it believes have sustainable competitive advantages that can be monetized through growth. The investment process integrates analysis of sustainability with respect to disruptive change, financial strength, environmental and social externalities and governance (also referred to as ESG).

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

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



— Class I Shares
— MSCI All Country Asia ex-Japan Net Index

Investment Performance (% net of fees) in USD

	Cumulative (%)			Annualized (% p.a.)			
	4Q21	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	-4.39	-20.52	-20.52	20.61	21.79	--	17.63
MSCI All Country Asia ex-Japan Net Index	-1.23	-4.72	-4.72	12.07	11.30	--	10.26

Calendar Year Returns (%)

	2021	2020	2019	2018	2017	2016	2015
Class I Shares	-20.52	52.53	44.74	-13.65	76.82	-1.34	--
MSCI All Country Asia ex-Japan Net Index	-4.72	25.02	18.17	-14.37	41.72	5.44	--

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, 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	MSAUX	61760X240	1.36	1.36
Class C	MSAWX	61760X232	2.10	2.10
Class I	MSAQX	61760X224	1.08	1.08
Class IS	MSAYX	61760X216	1.04	1.04

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 52 Funds. Based on Risk Adjusted Return. Class I Shares: 3yr. rating 4 Stars; 5yr. rating 5 Stars.

Morningstar Category: Pacific/Asia ex-Japan Stk

Lipper Category: Pacific Ex Japan

Morningstar Rankings - Class I

	PERCENTILE	RANK/TOTAL IN CATEGORY
1 YR	98	50/52
3 YR	21	14/52
5 YR	2	2/45

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

Fund Facts

Inception date	December 29, 2015
Total net assets	\$ 433.11 million
Benchmark ¹	MSCI All Country Asia ex-Japan Net Index
Distribution frequency	Annually

Statistics

(3 Year Annualized)	CLASS I	INDEX
Alpha (%)	8.68	--
Beta (vs. benchmark)	0.99	1.00
Excess return (%)	8.54	--
Information ratio	0.73	--
R squared	0.68	1.00
Sharpe ratio	0.94	0.64
Standard deviation (%)	20.85	17.46
Tracking error (%)	11.73	--
Up-capture ratio (%)	119.49	100.00
Down-capture ratio (%)	88.52	100.00

Characteristics

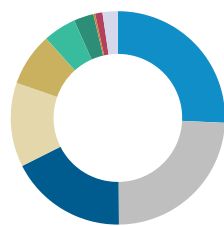
	FUND	INDEX
Active share (%)	86.42	--
Return on invested capital (%)	31.38	16.65
Return on assets (%)	5.76	5.13
5 year free cash flow growth (%)	20.61	8.68
5 year sales growth (%)	12.70	9.61
Net cash to equity (%)	29	-15
Number of holdings	38	1,213
Weighted average market capitalization (\$B)	105.53	102.80
Turnover (%) [*]	44	--

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

Top Countries

(% of Total Net Assets) [#]	FUND	INDEX
China	50.32	36.95
India	19.36	14.20
Taiwan	8.29	18.35
United States	7.57	--
South Korea	6.74	14.61
Hong Kong	2.95	6.92
Indonesia	1.09	1.65
Cayman Islands	0.91	--
Cash	2.29	--

Sector Allocation (% of Total Net Assets)#



	FUND	INDEX
Consumer Discretionary	25.63	14.60
Financials	23.98	18.63
Consumer Staples	17.64	5.01
Communication Services	12.68	10.48
Information Technology	7.99	25.86
Real Estate	4.96	3.72
Materials	2.99	5.24
Health Care	0.25	4.44
Other	1.11	--
Cash	2.29	--

Top Holdings (% of Total Net Assets)

	FUND	INDEX
HDFC Bank Ltd	8.01	--
Meituan	6.16	1.72
ICICI Bank Ltd	6.11	0.74
Coupage Inc	5.13	--
Naver Corp	4.90	0.57
Kweichow Moutai Co. Ltd	4.52	0.35
KE Holdings Inc	4.39	0.10
Foshan Haitian Flavouring & Food Co. Ltd	4.34	0.05
Trip.com Group Ltd	3.97	0.18
Taiwan Semiconductor Mfg Co. Ltd	3.66	7.95
Total	51.19	--

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

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.

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: 5 year free cash flow growth is the compound annual growth rate of Free Cash Flow over a 5-year period. It is calculated by $[\text{Free Cash Flow}(0) / \text{Free Cash Flow}(-5)]^{1/5} - 1$. **5 year sales growth** is the compound annual growth rate of Sales over the last 5 years. It is calculated by $[\text{Sales}(0) / \text{Sales}(-5)]^{1/5} - 1$. **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. **Net cash to equity** is the ratio of a company's cash on hand against the total net worth of the company. It is calculated by $[(\text{Total Cash and cash equivalents} - \text{Total Liabilities}) / \text{Shareholder's Equity}]$. **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 assets (ROA)** is a measure of a company's profitability, equal to a fiscal year's earnings divided by its total assets, expressed as a percentage. **Return on invested capital (ROIC)** represents the performance ratio measuring a company's percentage return on its invested capital. Income statement items as of latest reported fiscal period, and Balance Sheet items from one period earlier. ROIC is calculated by dividing Net Income by (Property, Plant & Equipment + Working Capital + Short Term Debt - Cash & Equivalents). ROIC has a cap of 200% and a floor of 0%, ex Financials and Real Estate Sectors. **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. **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 **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 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.

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. **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. The risks of investing in **emerging market countries** are greater than risks associated with investments in foreign developed countries. **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. **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.

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.

Morningstar: Rankings and/or ratings as of December 31, 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.

© 2022 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.** Morningstar information is based on quarter-end data. Please visit morganstanley.com/im for the latest month-end Morningstar information.

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.