

INVESTMENT MANAGEMENT

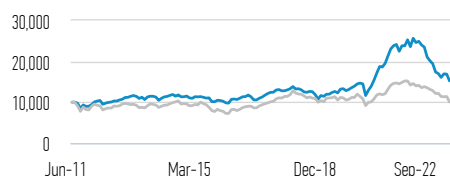
Morgan Stanley Institutional Fund

Emerging Markets Leaders Portfolio

Investment Objective: Seeks long-term capital appreciation.

Investment Approach: We seek structural compounders that benefit from growth in emerging markets, and focus on large, continental-sized markets such as Greater China, India, Latin America and Southeast Asia. This high-conviction and benchmark agnostic portfolio focuses on risk diversification. We aim to deliver strong risk-adjusted returns with select country and thematic exposures. ESG focus and integration is at the core of the investment process.

Class I Shares (% net of fees) vs. Index
Performance of 10,000 USD Invested Since Inception (Cash Value (\$))



— Class I Shares
— MSCI Emerging Markets Net Index

Investment Performance (% net of fees) in USD

	Cumulative (%)			Annualized (% p.a.)			
	3Q22	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	-5.32	-35.20	-38.18	5.06	3.54	3.99	3.80
MSCI Emerging Markets Net Index	-11.57	-27.16	-28.11	-2.07	-1.81	1.05	0.04

	2021	2020	2019	2018	2017	2016	2015
Class I Shares	1.84	59.36	26.63	-14.12	26.01	3.08	-7.27
MSCI Emerging Markets Net Index	-2.54	18.31	18.42	-14.57	37.28	11.19	-14.92

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.

Fund and performance information is as of September 30, 2022, unless otherwise noted. Performance information for periods prior to the Reorganization reflects the information of the Private Fund.

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	MELAX	61760X596	1.37	1.37
Class C	MEMLX	61760X273	2.14	2.14
Class I	MELIX	61760X612	1.08	1.05
Class R6	MELSX	61760X570	1.01	1.00

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.

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



Morningstar Overall Rating

CLASS I SHARES

Out of 723 Funds. Based on Risk Adjusted Return.
Class I Shares: 3yr. rating 5 Stars; 5yr. rating 5 Stars.

Morningstar Category: Diversified Emerging Mkts

Lipper Category: Emerging Markets

Morningstar Rankings - Class I

	PERCENTILE	RANK/TOTAL IN CATEGORY
1 YR	94	745/804
3 YR	4	21/723
5 YR	2	7/642

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

Fund Facts

Inception date ¹	June 30, 2011
Total net assets	\$ 280.64 million
Benchmark ²	MSCI Emerging Markets Net Index
Distribution frequency	Annually

Statistics

(3 Year Annualized)	CLASS I	INDEX
Alpha (%)	7.42	--
Beta (vs. benchmark)	1.11	1.00
Excess return (%)	7.12	--
Information ratio	0.55	--
R squared	0.74	1.00
Sharpe ratio	0.18	-0.14
Standard deviation (%)	24.85	19.18
Tracking error (%)	12.91	--
Up-capture ratio (%)	141.72	100.00
Down-capture ratio (%)	104.92	100.00

Characteristics

	FUND	INDEX
Active share (%)	93.69	--
Number of holdings	31	1,387
Price/earnings (LTM) [†]	29.32	9.26
5 year EPS growth (%)	22.01	13.38
Price/book	5.01	14.3
Return on equity (%)	19.20	15.14
Turnover (%) [*]	27	--

[†] LTM = Last Twelve Months.

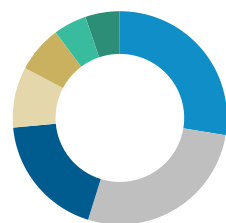
Top Countries By Exposure (% of Total Net Assets)[#]

	FUND	INDEX
India	37.02	15.33
China	22.56	31.35
Taiwan	12.53	13.82
United States	9.59	--
Argentina	5.68	--
Germany	3.58	--
Brazil	3.26	5.76
Singapore	1.31	--
Cash	5.26	--

Top Holdings (% of Total Net Assets)

	FUND	INDEX
Bajaj Finance Ltd	7.93	0.43
MercadoLibre Inc	7.73	--
Li Ning	6.44	0.31
ICICI Bank Ltd	5.68	0.95
Globant S.A.	5.68	--
Aarti Industries Ltd	4.99	--
AU Small Finance Bank Ltd	4.87	0.02
Proya Cosmetics Co. Ltd	4.31	--
Shenzhou International Group	3.95	0.11
Voltronic Power Technology Corp	3.92	0.05
Total	55.50	--

Sector Allocation(% of Total Net Assets)#



	FUND	INDEX
Financials	27.83	22.57
Consumer Discretionary	27.41	13.96
Information Technology	18.91	18.27
Consumer Staples	9.23	6.60
Industrials	7.11	5.78
Materials	5.05	8.74
Cash	5.26	--

#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. 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. **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. **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/book** compares a stock's market value to the book value per share of total assets less total liabilities. This number is used to judge whether a stock is undervalued or overvalued. **Price/earnings (LTM)** is the price of a stock divided by its earnings per share for the past 12 months. 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. **Return on equity (ROE)** is the amount of net income returned as a percentage of shareholders equity. **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.

INDEX INFORMATION: (2) 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 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 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. 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. 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). **Nondiversified 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. **China Risk.** Investments in securities of Chinese issuers, including A-shares, involve risks associated with investments in foreign markets as well as special considerations not typically associated with investments in the U.S. securities markets. 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.

Morningstar: As of September 30, 2022. **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 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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OTHER CONSIDERATIONS: (1) The Reorganization occurred on January 6, 2015. The inception date reflects the inception date of the Private Fund.

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.

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.