

Morgan Stanley Institutional Fund

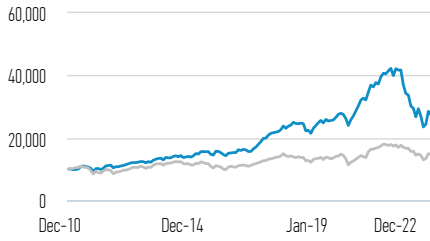
International Advantage Portfolio

Investment Objective: Seeks long-term capital appreciation.

Investment Approach: The Portfolio seeks long-term capital appreciation by investing primarily in international high quality established companies 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 World ex USA Index

Investment Team	JOINED FIRM	INDUSTRY EXPERIENCE
Kristian Heugh	2001	22 Years
Anil Agarwal	2001	22 Years

Team members may be subject to change at any time without notice. Effective December 29, 2022, Anil Agarwal serves as a co-portfolio manager of the Fund. Kristian Heugh will continue as the lead portfolio manager.

Investment Performance (% net of fees) in USD

	Cumulative (%)			Annualized (% p.a.)			
	4Q22	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	16.62	-34.46	-34.46	-0.62	3.90	8.63	8.74
MSCI All Country World ex USA Index	14.28	-16.00	-16.00	0.07	0.88	3.80	3.32

Calendar Year Returns (%)	2022	2021	2020	2019	2018	2017	2016
Class I Shares	-34.46	13.16	32.33	30.09	-5.19	44.75	2.47
MSCI All Country World ex USA Index	-16.00	7.82	10.65	21.51	-14.20	27.19	4.50

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, 2022, 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	MFAPX	61756E446	1.26	1.26
Class C	MSIAX	61760X380	1.96	1.96
Class I	MFAIX	61756E461	0.97	0.97
Class R6	IDV SX	61766J344	0.87	0.87

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.

GLOBAL OPPORTUNITY TEAM



Best International Multi-Cap Growth Fund 2022

Class I Shares. Based on risk adjusted performance among 79 funds (5yr) and 63 funds (10yr) in 2022. Calculation periods are through the end of November of the respective evaluation year.

Past performance is no guarantee of future results. For more information see disclosures on page 2.

★★★★★ Morningstar Overall Rating

Out of 399 Funds. Based on Risk Adjusted Return. Class I Shares: 3yr. rating 2 Stars; 5yr. rating 4 Stars; 10yr. rating 5 Stars.

Morningstar Rankings - Class I

	PERCENTILE	RANK/TOTAL IN CATEGORY
1 YR	92	406/443
3 YR	65	254/399
5 YR	21	57/346
10 YR	2	3/226

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

Fund Facts

Inception date	December 28, 2010
Total net assets	\$ 2.9 billion
Benchmark ¹	MSCI All Country World ex USA Index
Distribution frequency	Annually

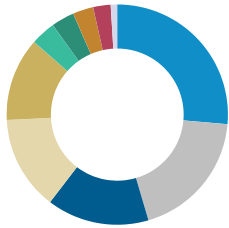
Statistics (3 Year Annualized)	CLASS I	INDEX
Alpha (%)	-0.69	--
Beta (vs. benchmark)	1.01	1.00
Excess return (%)	-0.69	--
Information ratio	-0.06	--
R squared	0.73	1.00
Sharpe ratio	-0.06	-0.03
Standard deviation (%)	23.14	19.53
Tracking error (%)	12.06	--
Up-capture ratio (%)	111.50	100.00
Down-capture ratio (%)	110.99	100.00

Characteristics	FUND	INDEX
Active share (%)	94.35	--
Return on invested capital (%)	49.84	19.94
Return on assets (%)	7.00	4.82
5 year free cash flow growth (%)	22.81	9.63
5 year sales growth (%)	14.45	8.45
Net cash to equity (%)	-15	-28
Number of holdings	32	2,261
Weighted average market capitalization (\$B)	73.37	62.38
Turnover (%) [*]	22	--

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

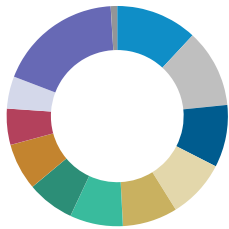
Top Holdings(% of Total Net Assets)	FUND	INDEX
DSV A/S	8.89	0.13
HDFC Bank Ltd	8.02	--
Hermes International	6.42	0.22
Moncler SPA	6.06	0.05
ASML Holding NV	5.24	0.98
Keyence Corp	4.69	0.34
Taiwan Semiconductor Mfg Co. Ltd	4.39	1.61
Adidas AG	3.95	0.11
MercadoLibre Inc	3.41	--
Brookfield Infrastructure Partners L.P.	3.36	--
Total	54.43	--

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



	FUND	INDEX
Consumer Discretionary	26.29	11.39
Information Technology	18.98	10.76
Financials	14.89	20.99
Industrials	13.77	12.27
Consumer Staples	12.20	8.89
Health Care	3.63	9.82
Utilities	3.36	3.36
Materials	2.99	8.37
Communication Services	2.56	5.86
Cash	0.94	--

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



	FUND	INDEX
Denmark	11.88	1.90
Canada	11.41	7.72
Italy	9.14	1.50
France	8.56	7.57
India	8.02	4.09
Netherlands	7.74	2.72
Germany	6.93	5.21
Switzerland	6.84	6.48
Japan	5.30	14.03
United Kingdom	4.71	9.76
Other	18.16	39.02
Cash	0.94	--

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

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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. **5 year sales growth** is the compound annual growth rate of Sales over the last 5 years. **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. **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. **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 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 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 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. 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. Market values can change daily, including the possibility of declining below what you paid for them, 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. 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. To the extent that the Fund invests in a limited number of issuers (**focused investing**), 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). There is no assurance strategies that incorporate **ESG factors** will result in more favorable investment performance. **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. 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.

Lipper Fund Awards. Source: Lipper Inc. The Refinitiv Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Refinitiv Lipper Fund Award. For more information, see www.lipperfundawards.com. Although Refinitiv Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Other share classes may have different performance and expense characteristics. From Refinitiv Lipper Awards, © 2022 Refinitiv. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited.

Morningstar: As of December 31, 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 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.