

MORGAN STANLEY INSTITUTIONAL FUND

Global Endurance Portfolio

COUNTERPOINT GLOBAL | JUNE 30, 2022

Dear Clients,

Total returns for Global Endurance were –59.46% compared to –20.18% by the MSCI All Country World Index for the first half of 2022.

Rising inflation, higher interest rates, geopolitical tensions and a slowing economy has led to a turbulent start to the year and continues to put a damper on the near-term outlook for equities. These near-term uncertainties have led to massive revaluations in weak and strong companies alike with market participants showing little regard for the underlying fundamentals. Our holdings did not remain unscathed and saw a stark decline in the first half of the year.

Poor short-term performance of this magnitude is alarming and difficult to stomach. What gives me comfort is that these lower prices and valuations provide us with yet another wonderful opportunity to deploy capital. If you have a long-term time horizon the prospect of lower prices should excite you as much as it excites me. We are now able to buy businesses with similar streams of current and future cash flows at a substantial discount to what they were priced at a few months ago.

While I do not have a crystal ball that predicts recessions, inflation, interest rates or market bottoms, I continue to believe that equities will be the best performing asset class over a long-term time horizon as they provide ownership in the creativity, ingenuity, and productivity of hundreds of thousands of workers. It is my belief that owning a portfolio which consists of a select group of companies located throughout the world with durable competitive advantages, sustainable growth opportunities, valuable business models and strong management teams leads to exceptional long-term returns.

A focus on fundamentals, independent thinking, and a long-term ownership mindset are the cornerstones of our investment philosophy. However, much of what our team does on a daily basis also involves judgement. It is inevitable that at times we misjudge a company's competitive positioning, growth prospects, quality of the management team or the entry and exit prices based on the information available at the time. However, I am confident that our team will continue to improve and refine our ability to recognize patterns of potential issues and learn from our mistakes. I can assure you that we continue to keep an unrelenting eye on the ball and swing at pitches which are in our circle of competence.

Down markets certainly provide one with a greater sense of humility and clarity. Suffice it to say our team got a heavy dose of both in the first half of this year. However, I am hopeful that when this stormy weather subsides, we shall be rewarded for our patience. Buying growing companies at value prices has served us well historically and I expect it to do so in the ensuing years.

As a reminder, while our companies' share prices can vary significantly in any short time period it is my belief that over time, they reflect the intrinsic value of their underlying businesses. And given that we own a select group of companies – 24 to be exact – a number which is a fraction of the over 3,000 companies held in the index we compete against, the fund's performance may vary in any given year.

At the end of the first half of 2022, our top 10 companies accounted for 58.3% of the portfolio and top 20 companies accounted for 93.3% of the portfolio. From a geographic domicile weighting standpoint, our portfolio was 64.3% in the United States, 11.4% in the United Kingdom, 8.4% in Canada, 6.9% in Israel, 3.4% in the Netherlands, 2.2% in Sweden, 1.6% in Finland and 1.2% in Singapore.

I am grateful for your trust in Global Endurance.

With best wishes,
Manas Gautam

INVESTMENT MANAGEMENT

Performance (%) as of June 30, 2022

Class I Shares – Net of Fees

	MTD	QTD	YTD	1 YR	3 YR	5 YR	Since Inception*
MSIF Global Endurance Portfolio	-12.52	-40.60	-59.46	-67.82	-0.17	--	5.75
MSCI All Country World Index	-8.43	-15.66	-20.18	-15.75	6.21	--	9.94

*The inception date of the MSIF Global Endurance portfolio is 12/31/2018.

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.

The gross expense ratio is 5.12% for Class I shares and the net expense ratio is 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.

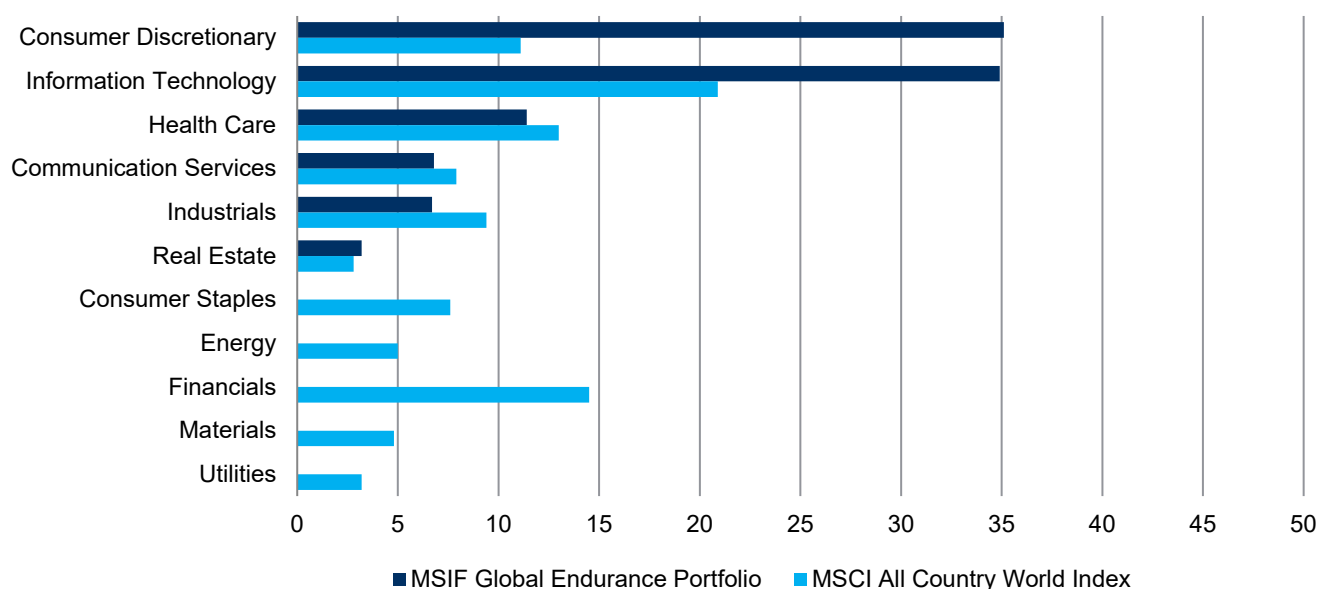
Returns are net of fees and assume the reinvestment of all dividends and income. They are compared to an unmanaged market index. Returns for less than one year are cumulative (unannualized). Performance for one year or more is based on average annual total returns. The returns are reported for Class I shares. Performance for other share classes will vary.

Short-term returns may not be indicative of the fund's long-term performance potential. A fund's performance, especially for very short time periods, should not be the sole factor in making your investment decision. Please keep in mind that high double- and triple-digit returns are highly unusual and cannot be sustained.

The **MSCI All Country (MSCI AC) World Index** is a free float-adjusted market-capitalization-weighted index designed to measure the equity market performance of developed and 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 index does not include any expenses, fees or sales charges, which would lower performance. The index is unmanaged and should not be considered an investment. It is not possible to invest directly in an index.

Top Ten Holdings % of Total Net Assets, as of June 30, 2022. Subject to change.

Appian Corp	7.1
Cricut Inc	7.0
Victoria Plc	6.8
Global-E Online Ltd	6.0
Fastly Inc	5.5
Floor & Decor Holdings Inc	5.5
Royalty Pharma Plc	5.4
Applovin Corp	5.2
Constellation Software Inc	4.9
Carvana Co.	4.8
TOTAL	58.3

Sector Allocation *As of June 30, 2022*

Source: FactSet Research Systems, Inc. / Morgan Stanley Investment Management. Numbers may not add to 100 due to rounding and the exclusion of cash. 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.

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Certain information herein is based on data obtained from third party sources believed to be reliable. However, we have not verified this information, and we make no representations whatsoever as to its accuracy or completeness.

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 portfolio will decline and that the value of portfolio shares may therefore be less than what you paid for them. 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. **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**). 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. Investments in **small- and medium- capitalization companies** tend to be more volatile and less liquid than those of larger, more established, companies.

Please consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. To obtain a prospectus, contact your financial advisor or download one at morganstanley.com/im. Please read the prospectus carefully before investing.

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