

Morgan Stanley Institutional Fund

Global Permanence Portfolio



Performance Review

For the quarter ending September 30, 2025, the Fund I class shares returned 3.04% (net of fees) and the MSCI All Country World Index returned 7.62%.

Counterpoint Global seeks high quality companies, which we define primarily as those with sustainable competitive advantages. We manage concentrated portfolios that are highly differentiated from the benchmark, with securities weighted on our assessment of the quality of the company and our conviction. The value added or detracted in any period of time will typically result from stock selection, given our philosophy and process.

The long-term investment horizon and conviction weighted, highly active investment approach embraced by Counterpoint Global can result in periods of performance deviation from the benchmark and peers. The portfolio underperformed the MSCI All Country World Index this quarter due to unfavorable stock selection.

Market Review

Global Equities, as measured by MSCI All Country World Index, advanced quarter to date. Information Technology, Communication Services and Materials led benchmark gains, while Consumer Staples, Real Estate and Health Care underperformed the benchmark.

While tariffs remained a source of uncertainty and overall market volatility, the quarter saw a shift toward a more dovish Fed stance, with expectations for additional rate cuts broadening through year-end. AI optimism continued to drive market leadership, as enthusiasm for the technology's potential supported strength across several industries. Amid heightened market enthusiasm, a growing sense of caution has surfaced around monetization challenges, uncertain productivity outcomes, and intensifying competition.

Against this backdrop, our investment approach remains unchanged. We continue to invest in high-quality, established businesses that primarily benefit from efficient-scale-related competitive advantages and are typically immune to disruption. We pursue companies with strong name recognition, above-average business visibility, the ability to deploy capital at high rates of return, and strong balance sheets. While we have opportunistically added to some positions and initiated new ones, overall, we have made few changes as we remain confident in the long-term prospects for the businesses we own. We will continue to carefully consider and monitor fundamental variables, while managing overall portfolio risk and exposures.

Portfolio Review

QTD underperformance has been primarily driven by unfavorable stock selection in Industrials, Consumer Discretionary and Real Estate.

Top detractors QTD include:

- Texas Landowner, LandBridge Co. LLC
- Building products distribution company, QXO Inc.
- Specialty distributor, Core & Main Inc.
- Freight railway operator, Canadian National Railway Co.

- Beauty and wellness technology company, ODDITY Tech Ltd.

Landbridge is a large landowner in the Permian Basin of Texas and New Mexico, generating recurring revenue from a variety of activities across its land. While current revenue is primarily tied to oil and gas production, given the region's position as the leading oil-producing area in the United States, the company is also poised to benefit from increasing diversification into areas such as solar energy and data center developments. We believe the company benefits from efficient scale related competitive advantages and remains well positioned to capitalize on the opportunity to maximize the value of its land, resources, and water. Its shares underperformed during the quarter, reflecting weaker commodity prices and limited merger and acquisition activity.

QXO provides roofing, waterproofing, and related building products. The company was a detractor during the quarter, reflecting tempered investor sentiment following its unsuccessful bid for GMS Inc., which was ultimately acquired by Home Depot. Despite this, second-quarter results were solid, with revenue and profitability ahead of expectations and early synergies emerging from the Beacon integration. QXO continues to make meaningful progress in capturing cost savings across logistics, procurement, and shared services, positioning the business for margin expansion. We believe the company benefits from intellectual property and brand-related competitive advantages, a proven playbook for value creation, and a management team with a strong track record.

Conversely, stock selection in Materials, as well as an average sector underweight position in Financials and Consumer Staples contributed to relative performance.

Top contributors QTD include:

- Rare earth specialty materials producer, MP Materials Corp.
- Web performance and security company, Cloudflare Inc.
- Supplier of lithography equipment, ASML Holding NV
- Aerospace and defense company, Babcock International Group Plc
- Leading luxury products group, LVMH Moët Hennessy Louis Vuitton SE

MP Materials owns and operates the Mountain Pass mine in California, the leading producer of rare earth elements in North America. The company's shares rose during the quarter, supported by strong quarterly results and renewed investor optimism following several strategic partnership announcements. The company announced new collaborations with the U.S. Department of Defense and Apple, both of which provide significant capital to expand its magnetics and separation operations. These developments reinforce the company's critical role in supporting U.S. supply chain security for rare earth materials. We believe MP Materials benefits from efficient scale related competitive advantages and is well positioned to capitalize on the growing demand for rare earth elements that power advanced technologies.

Contributor LVMH — is a global leader in luxury goods, spanning fashion and leather goods, perfumes and cosmetics, watches and jewelry, wines and spirits, and selective retailing. We believe the company benefits from brand and scale related competitive advantages and is well positioned to benefit from the continued global expansion of the luxury market and rising consumer demand for high-quality branded products. Its shares rose following in-line quarterly results, with solid growth at Sephora offsetting softness in Fashion & Leather Goods and Wines & Spirits. Management reiterated confidence in the long-term outlook and commitment to brand desirability despite macroeconomic uncertainty, while investor sentiment was buoyed by Bernard Arnault's comments ruling out a sale of the Wines & Spirits division and plans to simplify operations around flagship brands.

Outlook

Counterpoint Global looks to own a portfolio of unique companies with diverse business drivers, strong competitive advantages and positioning, and healthy secular growth prospects whose market value we believe can increase

significantly over the long-term for underlying fundamental reasons, independent of the macro or market environment. We find these companies through fundamental research. Our emphasis is on secular growth, and as a result short-term market events are not as meaningful in the stock selection process.

Counterpoint Global believes having a market outlook can be an anchor. We focus on assessing company prospects over a five year investment horizon. Current portfolio positioning reflects what we believe are the best long-term investment opportunities.

The views, opinions, forecasts and estimates expressed are those of the investment team at the time of writing and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. These comments are not representative of the opinions and views of the firm as a whole. Portfolio holdings and sectors are subject to change daily. All information provided is for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the sectors referenced. Past performance is no guarantee of future results.

Performance (%)

Class I Share at NAV, as of September 30, 2025.

	MTD	QTD	YTD	1 YR	3 YR	5 YR	Since Inception
MSIF Global Permanence Portfolio	1.64	3.04	30.73	33.61	25.04	13.78	13.60
MSCI All Country World Index	3.62	7.62	18.44	17.27	23.12	13.54	12.16

*** The inception date of the MSIF Global Permanence portfolio is 4/30/2019.**

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 7.60% 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, in effect as of the date of this document. The minimum initial investment is \$1,000,000 for Class I shares. The minimum initial investment may be waived in certain situations. Please see the Fund's prospectus for additional information.

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.

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.

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. Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor.

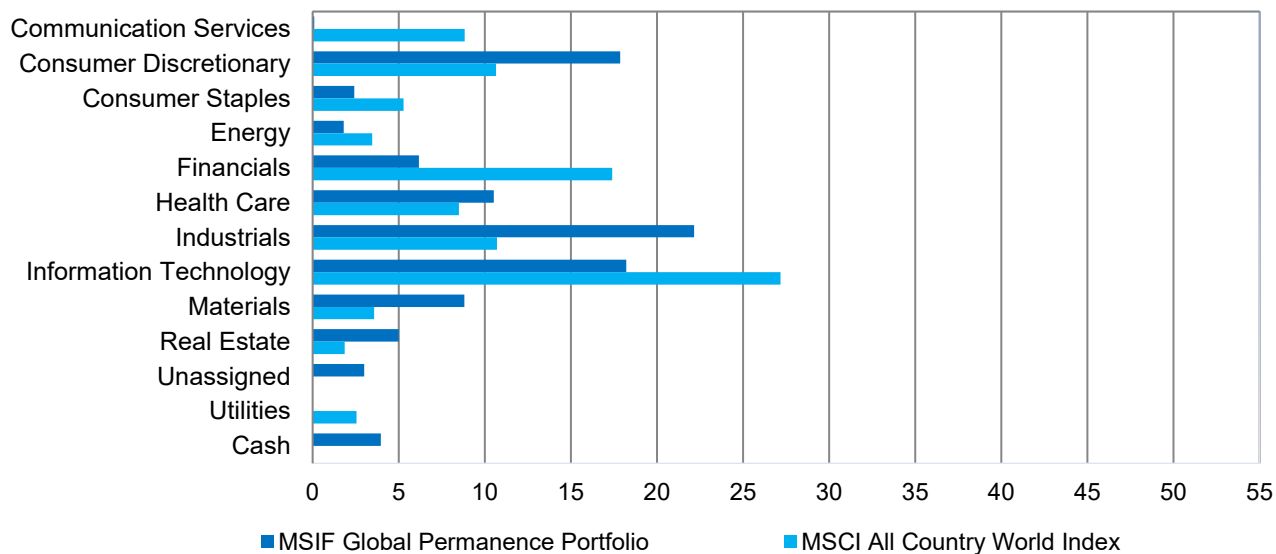
Top Ten Holdings

% of Total Net Assets, as of September 30, 2025. Subject to change.

Cloudflare	13.2
Babcock International	6.7
Royalty Pharma	5.7
Royal Gold	5.1
QXO	5.0
ASML	4.9
LVMH Moët Hennessy Louis Vuitton	4.9
Canadian National Railway	4.8
Eurofins Scientific	4.7
MercadoLibre	4.6
TOTAL	59.6

Sector Allocation

As of September 30, 2025.



Source: FactSet Research Systems, Inc. / Morgan Stanley Investment Management.
Cash is frictional and accounted for 3.96% of the portfolio.

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.

This material has been prepared on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. However, no assurances are provided regarding the reliability of such information and the Firm has not sought to independently verify information taken from public and third-party sources.

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. 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. 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. **Illiquid securities** may be more difficult to sell and value than public traded securities (liquidity risk). **Active Management Risk**. In pursuing the Portfolio's investment objective, the Adviser has considerable leeway in deciding which investments to buy, hold or sell on a day-to-day basis, and which trading strategies to use. The success or failure of such decisions will affect performance.

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 (which includes the applicable fund's current fees and expenses, if different from those in effect as of the date of this document), download one at morganstanley.com/im or call 1.800.548.7786. Please read the prospectus carefully before investing.

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