

Morgan Stanley Institutional Fund

Global Permanence Portfolio



Performance Review

For the quarter, the Global Permanence Portfolio returned 2.20% (net of fees) and the MSCI All Country World Index returned -0.99%.

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 outperformed the MSCI All Country World Index this quarter due to favorable stock selection.

Market Review

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

Equities rallied sharply during the quarter following the U.S. presidential election results driven by expectations of stronger economic growth and an improved regulatory and M&A environment under the incoming administration. Against this backdrop, we continued to focus on company-specific fundamentals, which, across portfolio holdings have largely remained healthy and in-line with our expectations. We continue to own unique companies with attractive end-game potential, strong balance sheets, and multiple competitive advantages that we believe can be long-term winners over the next three to five years. 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.

Portfolio Review

QTD Fund outperformance has been driven by favorable stock selection in Information Technology, Energy and Real Estate.

Top contributors QTD include:

- Web performance and security company, Cloudflare
- Texas landowner, Texas Pacific Land
- Texas landowner, LandBridge
- iShares Bitcoin Trust
- Construction management software, Procore Technologies

Top contributor Cloudflare is a global cloud platform that provides security, performance, and reliability services to the applications of its customers. The company's cloud platform has proprietary architecture that allows it to scale rapidly to meet customer demands, and its services enable customers to run their applications without managing expensive and complex network hardware internally. We believe the company benefits primarily from intellectual property and efficient

scale related competitive advantages, and is well positioned as enterprises increasingly invest in ensuring that their mission critical applications are secure and operating properly. The company reported better than expected quarterly results, but a slightly weaker revenue outlook on account of its ongoing sales restructuring effort.

Contributor Texas Pacific Land is one of the largest landowners in Texas, generating revenue primarily from oil and gas lease royalties. We believe the company benefits from efficient scale and high switching costs related competitive advantages, and is poised to capitalize on the opportunity to maximize the value of the underlying land, resources and water by identifying the highest and best use for each. Its shares advanced due to overall healthy quarterly results characterized by strong production and royalties growth across oil, gas and water.

Conversely, an average sector overweight position in Health Care and Industrials, as well as stock selection in Consumer Discretionary detracted from relative performance.

Top detractors QTD include:

- Analytical testing and laboratory services provider, Eurofins Scientific
- Contemporary carpets and floor coverings company, Victoria
- Hard surface flooring retailer, Floor & Decor
- Digital communications infrastructure provider, American Tower
- Shipping solutions provider, Canadian National Railway

Detractor Victoria is a leading manufacturer and retailer of carpets and floor coverings in the UK, Europe and Australia, with a collection of strong brands. We believe the company benefits from efficient scale related competitive advantages, and can benefit from new construction and home renovation activity, as well as residential and commercial replacement demand for flooring products. The company reported lower-than-expected results as the company continues to experience softer demand due to higher interest rates and inflation adversely impacting consumer discretionary spending on home improvement projects, including flooring and interior decoration.

Detractor Floor & Décor Holdings is a multi-channel specialty retailer of hard surface flooring products. We believe the company benefits from efficient scale and brand related competitive advantages, and is well positioned as consumers increasingly seek a broad assortment of flooring products and accessories at everyday low prices. Despite reporting better than expected results, we believe its shares underperformed due to prolonged higher interest rates, reduced financing options, and tighter lending standards, which continue to pressure broader home renovation activity.

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 December 31, 2024.

	MTD	QTD	YTD	1 YR	3 YR	5 YR	Since Inception
MSIF Global Permanence Portfolio	-1.75	2.20	10.69	10.69	2.36	10.28	10.20
MSCI All Country World Index	-2.37	-0.99	17.49	17.49	5.44	10.06	10.52

* 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 4.40% 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.

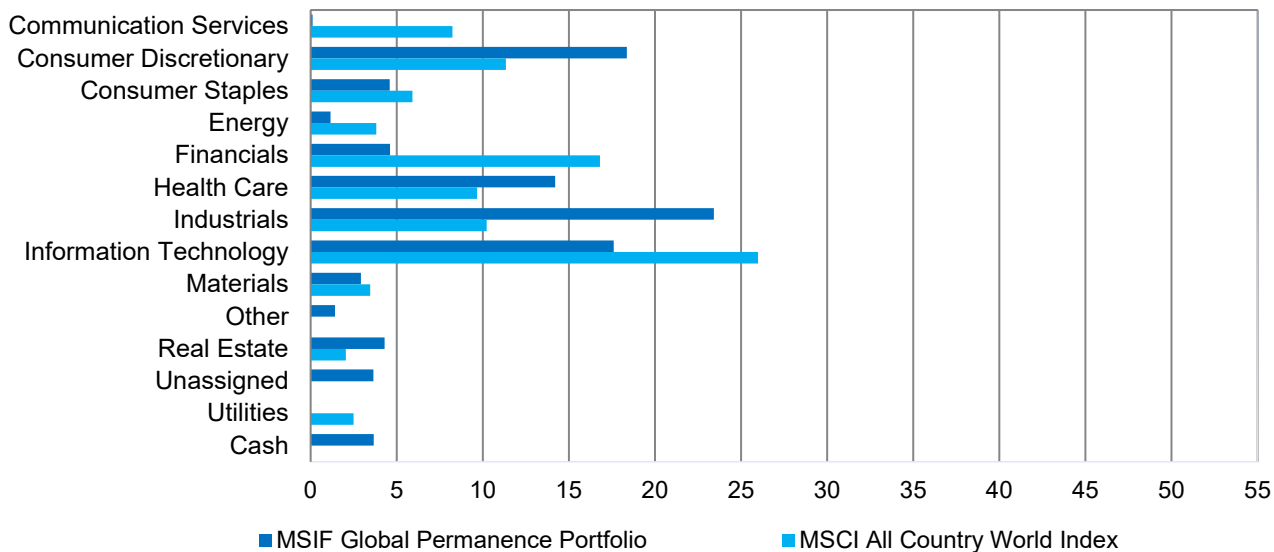
Top Ten Holdings

% of Total Net Assets, as of December 31, 2024. Subject to change.

Cloudflare	10.9
Eurofins Scientific	5.1
Royalty Pharma	5.1
Babcock International	5.0
ASML Holding	5.0
Rentokil Initial	5.0
LVMH Moët Hennessy Louis Vuitton	5.0
Canadian National Railway	4.9
Floor & Décor Holdings	4.7
Core & Main	4.6
TOTAL	55.3

Sector Allocation

As of December 31, 2024.



Source: FactSet Research Systems, Inc. / Morgan Stanley Investment Management.
Cash is frictional and accounted for 3.67% 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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