

Morgan Stanley Institutional Fund

Permanence Portfolio

Investment Objective: Seeks long-term capital appreciation.

Investment Approach: We seek to invest primarily in established companies in the United States that benefit from efficient scale. We pursue companies that we believe have strong name recognition and sustainable competitive advantages with above average business visibility, the ability to deploy capital at high rates of return, strong balance sheets and an attractive risk/reward profile.

Class I Shares (% net of fees) vs. Index

Performance of 10,000 USD Invested Since Inception (Cash Value (\$))



Investment Team	JOINED FIRM	INDUSTRY EXPERIENCE
Dennis Lynch	1998	32 Years
Sam Chainani, CFA	1996	30 Years
Jason Yeung	2002	29 Years
Armistead Nash	2002	26 Years
Alexander Norton	2000	31 Years
Manas Gautam	2015	14 Years

Team members may be subject to change at any time without notice.

Investment Performance (% net of fees) in USD

	Cumulative (%)			Annualized (% p.a.)			
	4Q25	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	-2.43	18.20	18.20	19.36	9.56	--	16.89
S&P 500 Index	2.66	17.88	17.88	23.01	14.42	--	20.25

Calendar Year Returns (%)	2025	2024	2023	2022	2021	2020	2019
Class I Shares	18.20	13.78	26.44	-20.55	16.85	--	--
S&P 500 Index	17.88	25.02	26.29	-18.11	28.71	--	--

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, 2025, 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	MSHNX	61768B810	7.95	1.20
Class C	MSHOX	61768B794	13.89	1.95
Class I	MSHMX	61768B828	7.16	0.85
Class R6	MSHPX	61768B786	10.50	0.80

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 fact sheet. For information on the applicable fund's current fees and expenses, please see the fund's current prospectus. The minimum initial investment is \$1,000,000 for Class I shares.



Morningstar Rankings - Class I

PERCENTILE	RANK/TOTAL IN CATEGORY
1 YR	32
3 YR	88
5 YR	75

Fund Facts

Inception date	March 31, 2020
Total net assets	\$ 5.56 million
Benchmark ¹	S&P 500 Index
Distribution frequency	Annually

Statistics (3 Year Annualized)

	CLASS I	INDEX
Alpha (%)	-8.25	--
Excess return (%)	-3.64	--
Beta (vs. benchmark)	1.26	1.00
Information ratio	-0.39	--
R squared	0.74	1.00
Sharpe ratio	0.82	1.50
Standard deviation (%)	17.42	11.95
Tracking error (%)	9.35	--
Up-capture ratio (%)	102.70	100.00
Down-capture ratio (%)	139.48	100.00

Characteristics

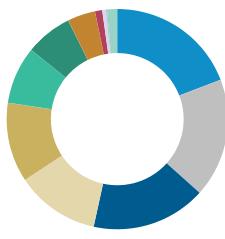
	FUND	INDEX
Active share (%)	95.26	--
Number of holdings	65	503
3-YR Forward Sales Growth	13.52	13.66
Weighted average market capitalization (\$B)	64.93	1,430.64

One holding was excluded from 3-YR Forward Sales Growth metric as the company is undergoing a transition whereby business acquisitions are expected to significantly increase company revenue onwards.

Top Holdings (% of Total Net Assets)

	FUND
Cloudflare Inc	11.88
Royalty Pharma plc	6.20
Royal Gold Inc	6.07
QXO Inc	6.06
Core & Main Inc	4.86
LVMH Moet Hennessy Louis Vuitton SE	4.82
Floor & Decor Holdings Inc	4.74
Medline Inc	3.68
Union Pacific Corp	3.66
LandBridge Co. LLC	3.27
Total	55.24

Sector Allocation (% of Total Net Assets)†



	FUND	INDEX
Industrials	18.94	8.16
Consumer Discretionary	17.23	10.41
Information Technology	16.57	34.43
Health Care	12.10	9.59
Financials	11.54	13.40
Materials	8.32	1.83
Real Estate	6.78	1.83
Consumer Staples	4.02	4.71
Energy	1.04	2.81
Communication Services	0.60	10.58
Utilities	--	2.25
Other	0.08	--
Cash	1.47	--

† May not sum to 100% due to the exclusion of other assets and liabilities.

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Forecasts and/or estimates provided herein are subject to change and may not actually come to pass. These conclusions are speculative in nature, and are not intended to predict the future performance of any specific strategy or product the Firm offers. Future results may differ significantly depending on factors such as changes in securities or financial markets or general economic conditions.

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: **3-YR Forward Sales Growth** based on FactSet Consensus Estimates and underlying holdings. Three Year Forward Weighted Average Revenue Growth is the increase in net sales for the next three 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. **Number of holdings** provided are a typical range, not a maximum number. The portfolio may exceed this from time to time due to market conditions and outstanding trades. **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. **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 S&P 500® Index measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy.

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 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. 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 publicly traded securities (liquidity risk). **Focused Investing.** To the extent that the Fund invests in a limited number of issuers, 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.

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).

Morningstar: As of December 31, 2025. **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.

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Past performance is no guarantee of future results. Morningstar information is based on quarter-end data. Please visit morganstanley.com/im for the latest month-end Morningstar information.

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 fact sheet), 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.