Morgan Stanley
INVESTMENT MANAGEMENT

COMMENTARY
December 31, 2024

Morgan Stanley Institutional Fund

Global Insight Portfolio

COUNTERPOINT GLOBAL

Performance Review

For the quarter ending December 31, 2024, the Fund I class shares returned 24.22% (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. Expectations of stronger economic growth and an improved regulatory and M&A environment under the incoming administration buoyed investor sentiment. 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, Consumer Discretionary and Financials.

Top contributors QTD include:

- Enterprise analytics platform and Bitcoin developing company, MicroStrategy
- Payments technology services platform, Affirm
- Electric vehicle developer, Tesla
- Web performance and security company, Cloudflare
- Commerce solutions platform, Shopify

Top contributor MicroStrategy is an enterprise analytics platform and Bitcoin developing company, that provides business intelligence analytics, mobile application development and identity management software solutions. We believe the company is unique due to its capital allocation strategy—it's the largest publicly traded corporate holder of Bitcoin—as well as its strong business intelligence solutions. We view MicroStrategy as a Bitcoin proxy without the associated fees and with potential additional downside protection via the cash flow of its core software business. Its shares advanced primarily due to the increase in value of its underlying Bitcoin holdings; the company continued to purchase Bitcoin through a combination of share issuance and convertible bond offerings.

Contributor Affirm operates a technology platform specializing in consumer buy-now-pay-later (BNPL) point of sale financing and payment processing. We believe Affirm benefits from network effects related competitive advantages and is well positioned to benefit as buy-now-pay-later adoption accelerates globally due to the secular growth of ecommerce and electronic payments. Its shares advanced due to strong results and a sustained favorable profitability outlook. Results were driven by continued business execution, healthy trends across new business initiatives, and favorable funding partnership announcements. Continued improvement in investor sentiment following the Federal Reserve's rate cuts also supported stock performance.

Contributor Tesla is a leading designer, developer, and manufacturer of electric vehicles, as well as energy generation and storage products. We believe Tesla is unique because it has advanced technology and vertically integrated manufacturing techniques, which enable the company to produce electric vehicles at a lower cost than many of its competitors. We believe the company benefits from low cost and intellectual property related competitive advantages, and is well positioned to benefit from the secular transition globally towards greater adoption of both electric vehicles and sustainable energy. In addition, we believe there is additional optionality for shareholders stemming from its Full-Self Driving (FSD), robotics, and charging station technologies, which can be further monetized over time. We attribute Tesla's outperformance to better than expected gross profit margins across its auto and energy business, as well as the announcement of its lower priced vehicle model, which is expected to launch later this year. Additionally, the expectation of reduced regulation under the incoming U.S. administration improved investor sentiment, particularly towards commercialization of Tesla's FSD technology.

Conversely, stock selection in Health Care and Real Estate, as well as a sector underweight position in Financials detracted from relative performance.

Top detractors QTD include:

- Ecommerce and fintech services platform, MercadoLibre
- Healthcare services provider, Agilon Health
- Global payments platform, Adyen
- Biopharmaceutical royalties acquirer, Royalty Pharma
- Developer of internet connected sensor systems, Samsara

Top detractor MercadoLibre operates the largest internet enabled marketplace in Latin America, and is also an electronic payments processor and fintech services provider. We believe the company benefits from network effect and efficient scale competitive advantages, and is well positioned as consumers further adopt internet enabled commerce to gain access to unique inventory and competitive pricing, while merchants benefit from a growing buyer base. The company is also poised to capture more of the ecommerce value chain through its payments, advertising and logistics services. Despite reporting overall healthy results, its shares underperformed primarily due to investor concerns around recent macroeconomic volatility in Brazil and the larger than expected growth in its credit business, which is expected to create near-term margin pressure.

Detractor Agilon Health is a health care services provider, offering its Total Care platform to a network of community-based physicians looking to transition from a traditional fee-for-service reimbursement model and towards a value-based care model for their Medicare Advantage patients. We believe Agilon benefits primarily from an efficient scale competitive advantage and is positioned well as a leading player in a fast-growing and underpenetrated market. Its shares have been under pressure over the last year due to a softer than expected Medicare Advantage environment characterized by prolonged increase in cost trends, driven by higher patient service and procedure utilization across the industry; this has led the company to lower its financial outlook for the past few quarters.

Detractor Royalty Pharma is one of the largest buyers of biopharmaceutical royalties and a leading funder of innovation across academic institutions, non-profits, biotechnology, and pharmaceutical companies. We believe the company benefits from intellectual property and brand related competitive advantages, and is well positioned due to the growing capital needs for biotechnology companies, complexity of innovation, and the overall secular trends leading to higher demand for drugs and effective treatment therapies. The company is a leader in the royalty acquisition space and we expect them to maintain their dominance due to deep industry experience and connections. Despite reporting solid quarterly results and raising its near-term financial outlook, its shares languished as the overall sentiment toward the healthcare sector remains pressured primarily due to regulatory uncertainty.

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	10 YR
MSIF Global Insight Portfolio	-5.01	24.22	48.13	48.13	-1.83	9.61	11.19
MSCI All Country World Index	-2.37	-0.99	17.49	17.49	5.44	10.06	9.23

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 1.37% 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.

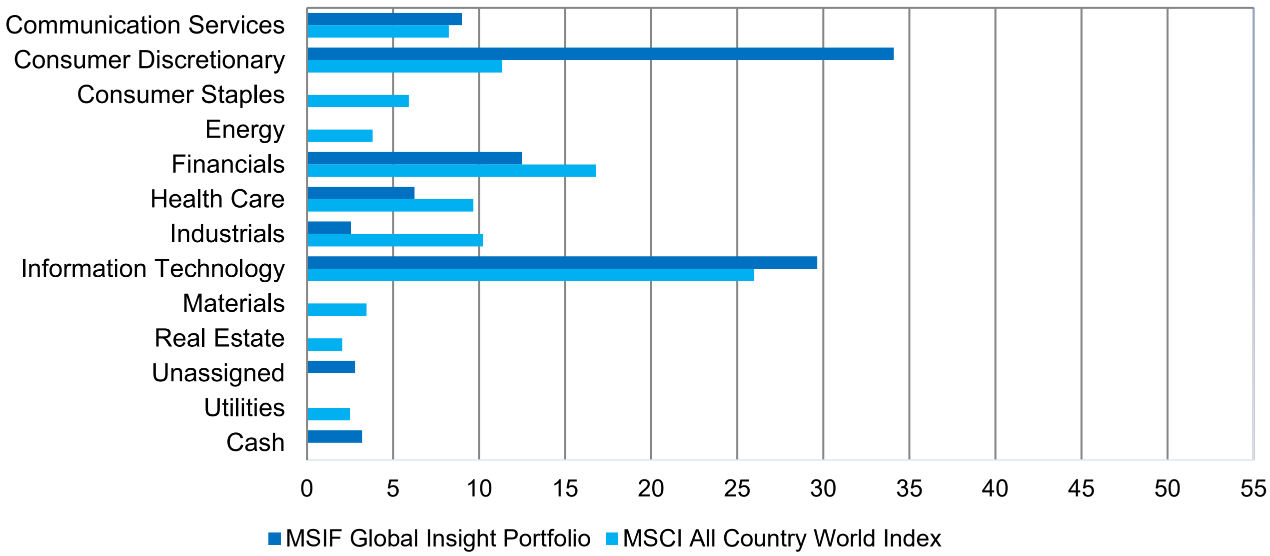
Top Ten Holdings

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

Tesla	8.9
Cloudflare	8.1
Global-e Online	6.6
Affirm Holdings	6.3
Shopify	6.3
Adyen	5.8
MercadoLibre	5.3
DoorDash	4.9
Aurora Innovation	4.5
Trade Desk	4.3
TOTAL	**61.0**

Sector Allocation

As of December 31, 2024.



Source: FactSet Research Systems, Inc. / Morgan Stanley Investment Management.
Cash is frictional and accounted for 3.20% of the portfolio.

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. 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. **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**). **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. Investments in **small and medium capitalization companies** tend to be more volatile and less liquid than those of larger, more established, companies. **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. To the extent the Portfolio invests a substantial portion of its assets in the **information technology sector**, the Portfolio may be particularly impacted by events that adversely affect the sector, such as rapid changes in technology product cycles, product obsolescence, government regulation, and competition, and may fluctuate more than that of a portfolio that does not invest significantly in companies in the technology sector. **Bitcoin** operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. It is not backed by any government. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency. Bitcoin may experience very high volatility.

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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 (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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