

Morgan Stanley Institutional Fund

Global Opportunity Portfolio

GLOBAL OPPORTUNITY

Performance Review

In the quarter period ending September 30, 2024, the Portfolio's I shares returned 9.75% (net of fees)¹, while the benchmark returned 6.61%.

Year-to-date, the Fund's I shares returned 22.71% and the benchmark returned 18.66%.

The Global Opportunity team creates a high conviction, concentrated portfolio of undervalued, high quality businesses. The long-term investment horizon and high active share approach can result in periods of performance deviation from the benchmark. The Fund outperformed the MSCI All Country World Index (ACWI) this quarter due to favorable stock selection and sector allocation.

Market Review

Global equities advanced during the quarter, led by real estate, utilities and financials. The energy sector declined, while information technology and communication services also underperformed the benchmark.

Portfolio Review

Stock selection in consumer discretionary, communication services and information technology were the greatest overall contributors to the relative performance of the portfolio during the quarter. Top contributors included Danish freight forwarder DSV AS, Latin American ecommerce platform MercadoLibre, online food delivery platform DoorDash, cloud software platform ServiceNow and Chinese consumer super-app Meituan.

Stock selection in financials and the portfolio's underweight allocations to utilities and real estate were the greatest detractors from relative performance during the quarter. Top detractors included cybersecurity platform CrowdStrike, a homestay and experiences marketplace, online retail and cloud computing leader Amazon, entertainment leader Walt Disney and creative software developer Adobe.

Shares of DSV rallied on news of the company signing an agreement to acquire DB Schenker, the logistics unit of Germany's state-owned railway Deutsche Bahn, to create the world's largest freight forwarder. DSV A/S is a leading global asset light freight forwarder with a unique blend of people, processes and information technology services. DSV enjoys leading positions in air and sea logistics globally as a result of strategic acquisitions that have diversified the firm out of the core road forwarding business and enabled it to grow in scale, network and sophistication in digital capabilities, on top of industry consolidation trends. We believe the company's information technology platform, people and processes allow it to operate efficiently in the value-added activities in forwarding that have been more immune from digital disruptions and volatile market pricing. The company also maintains a shareholder-friendly capital allocation policy that combines share buybacks with stable dividends in the absence of value-accretive merger and acquisition (M&A) activity.

Shares of cybersecurity platform CrowdStrike declined following a global technology outage caused by a defect in a Falcon software update to Microsoft Windows hosts. The situation is being evaluated closely, and as a reminder, our investment thesis has been that CrowdStrike is a leading software-as-a-service (SaaS) platform and a global leader in corporate endpoint security. CrowdStrike offers a suite of modules on its cloud-native and artificial intelligence (AI)-driven Falcon platform to protect endpoints such as desktops, laptops, servers and cloud workloads against sophisticated cyberattacks. We believe CrowdStrike is unique due to its differentiated cloud-based lightweight approach, strengthened by the data its AI models receive from trillions of daily events that improves the overall efficacy of the Falcon platform, and that the company can leverage this uniqueness to gain and retain customers while also benefiting from the migration of on-premise security solutions to the cloud and movement towards zero trust networks.

¹ Source: Morgan Stanley Investment Management. Data as of September 30, 2024. Performance for other share classes will vary.

This document constitutes a commentary and does not constitute investment advice nor a recommendation to invest. The value of investments may rise as well as fall. Independent advice should be sought before any decision to invest.

NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT

Outlook

Our recent discussion focused on the importance of temperament, conviction and time in the market.² The third quarter served as a good example of the team's investment philosophy in action. We took advantage of August's short-lived volatility, which was marked by the VIX spiking as high as 65 and an approximately 8% drawdown in global equities intra-month,³ by adding high quality companies around the world trading at deep discounts to our estimate of intrinsic value from a free cash flow perspective. During the quarter, the Fund initiated positions in uniquely positioned businesses that we identified through deep dives into artificial intelligence, powering data centers, network effects and intellectual property. Several positions added to the Global Opportunity portfolio were already owned in other portfolios managed by the team, while others are new. These additions were funded by deploying cash and eliminating several portfolio positions primarily based on risk/reward. We are taking what the market is giving us and leveraging the unique strengths of the team to become more efficient as we continuously optimize the portfolio.

As a team, we continue to focus on bottom-up stock selection and the long-term outlook for companies owned in the portfolio. We assess company prospects over a five- to ten-year time horizon and own a portfolio of what we believe are undervalued, high quality companies with diverse business drivers not tied to any particular market environment.

Fund Facts

Inception Date	May 30, 2008
Minimum Initial Investment (\$)*	A Shares - 1,000
	I Shares - 1,000,000
Benchmark	MSCI All Country World Net Index
Class I expense ratio	Gross 0.95 %
	Net 0.95 %
Class A expense ratio	Gross 1.25 %
	Net 1.25 %

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 commentary. For information on the applicable fund's current fees and expenses, please see the fund's current prospectus.

Performance (%)

As of September 30, 2024	MTD	QTD	YTD	1 YR	3 YR	5 YR	10 YR
Class I Shares at NAV	5.60	9.75	22.71	43.76	2.13	13.27	14.47
Class A Shares at NAV	5.57	9.65	22.46	43.37	1.83	12.95	14.10
Class A Shares (With Max 5.25% Sales Charge)	0.03	3.91	16.04	35.82	0.02	11.73	13.49
MSCI All Country World Net Index	2.32	6.61	18.66	31.76	8.09	12.19	9.39

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. Investment returns and principal value will fluctuate and fund shares, when redeemed, may be worth more or less than their original cost.

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 (not annualized). Performance for one year or more is based on average annual total returns. The returns are reported for Class I and A shares. Performance for other share classes will vary.

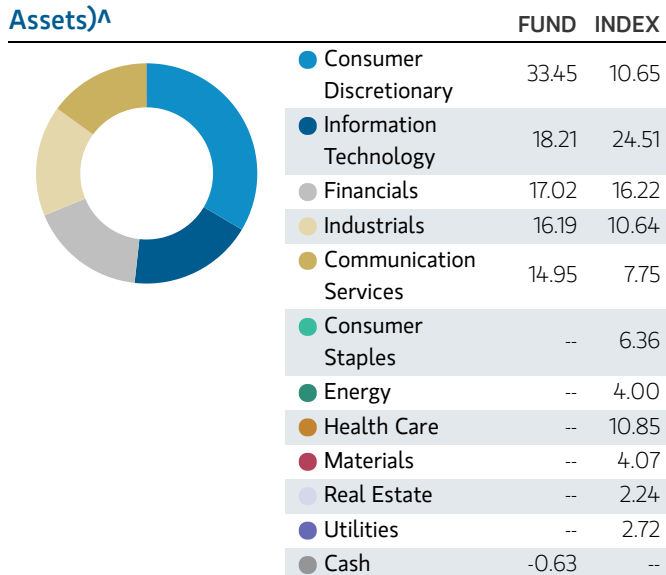
² Available at <https://www.eatonvance.com/advisory-blog.php?post=focus-on-time-in-the-market-not-timing-the-market>

³ Source: FactSet.

* Share class availability may vary by platform. For more information, please visit the specified fund page on the website.

Top Holdings (% of Total Net Assets)

	FUND	INDEX
Uber Technologies Inc	7.77	0.18
Meta Platforms Inc	6.90	1.60
ServiceNow Inc	6.84	0.23
MercadoLibre Inc	5.20	0.12
DSV A/S	5.15	0.05
Amazon.com Inc	4.32	2.23
DoorDash Inc	4.08	0.06
Shopify Inc	3.61	0.12
ICICI Bank Ltd	3.54	0.10
Coupang Inc	3.45	--
Total	50.86	--

Sector Allocation (% of Total Net Assets)[^]

[^] May not sum to 100% due to the exclusion of other assets and liabilities.

INDEX INFORMATION

The **MSCI All Country World Index (MSCI ACWI)** 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 performance of the Index is listed in U.S. dollars and assumes reinvestment of net dividends.

The **Volatility Index (VIX)** is the ticker symbol for the Chicago Board Options Exchange Market Volatility Index, a popular measure of the implied volatility of S&P 500 index options. It represents one measure of the market's expectation of stock market volatility over the next 30-day period. The VIX is quoted in percentage points and translates, roughly, to the expected movement in the S&P 500 index over the next 30-day period, which is then annualized.

The Indexes are unmanaged and do 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. 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. **Illiquid securities** may be more difficult to sell and value than publicly traded securities (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. **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). **China Risk.** Investments in securities of Chinese issuers, including A-shares, involve risks associated with investments in foreign markets as well as special considerations not typically associated with investments in the U.S. securities markets. Investments in China involve risk of a total loss due to government action or inaction. Additionally, the Chinese economy is export-driven and highly reliant on trade. Adverse changes to the economic conditions of its primary trading partners, such as the United States, Japan and South Korea, would adversely impact the Chinese economy and the Fund's

investments. Moreover, a slowdown in other significant economies of the world, such as the United States, the European Union and certain Asian countries, may adversely affect economic growth in China. An economic downturn in China would adversely impact the Portfolio's investments. **Risks of Investing through Stock Connect.** Any investments in A-shares listed and traded through Stock Connect, or on such other stock exchanges in China which participate in Stock Connect is subject to a number of restrictions that may affect the Portfolio's investments and returns. Moreover, Stock Connect A shares generally may not be sold, purchased or otherwise transferred other than through Stock Connect in accordance with applicable rules. The Stock Connect program may be subject to further interpretation and guidance. There can be no assurance as to the program's continued existence or whether future developments regarding the program may restrict or adversely affect the Portfolio's investments or returns. There is no assurance strategies that incorporate **ESG factors** will result in more favorable investment performance. **Active Management Risk.** The Adviser has considerable leeway in deciding which investments to buy, hold or sell, and which trading strategies to use. 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, and may fluctuate more than that of a portfolio that does not invest significantly in companies in the technology sector. To the extent the Portfolio invests a substantial portion of its assets in the **consumer discretionary sector**, the Portfolio may be particularly susceptible to the risks associated with companies operating in such sector.

IMPORTANT INFORMATION

The views and opinions and/or analysis expressed are those of the investment team as of the date of preparation of this material and are subject to change at any time without notice due to market or economic conditions and may not necessarily come to pass. Furthermore, the views will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date of publication. The views expressed do not reflect the opinions of all investment personnel at Morgan

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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 commentary), download one at morganstanley.com/im or call 1-800-548-7786. Please read the prospectus carefully before investing.

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