

Morgan Stanley Institutional Fund Trust

Discovery Portfolio



Performance Review

For the quarter ending December 31, 2025, the Fund I class shares returned -9.26% (net of fees), while the Russell Mid Cap Growth Index returned -3.70% and the Lipper Mid Cap Growth returned -1.37%.

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 Russell Mid Cap Growth Index this quarter due to unfavorable stock selection and sector allocation.

Market Review

Mid cap growth equities, as measured by Russell Mid Cap Growth Index, declined quarter to date. Communication Services, Consumer Staples and Utilities underperformed the benchmark gains, while Materials, Health Care and Real Estate outperformed the benchmark.

Tariff and policy uncertainty remained elevated during the quarter, compounded by a government shutdown, while investor sentiment became more cautious amid heightened scrutiny of AI monetization and signs of slowing momentum across select parts of the economy. Against this backdrop, our investment approach remains unchanged. We continue to invest in high quality businesses that have sustainable competitive advantages and strong secular growth potential, and that operate in large and growing end markets where the penetration rate for their goods/services can be much higher over time. Companies we own tend to be asset light, have little financial leverage, strong pricing power, attractive unit economics, high margins, solid cash generation capability and the ability to succeed through different market/macro environments. 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 Communication Services and Consumer Staples, as well as an average sector overweight position in Information Technology.

Top detractors QTD include:

- Enterprise analytics platform and Bitcoin development company, Strategy Inc.
- Videogame platform, Roblox Corp
- Ethereum development company, Bitmine Immersion Technologies Inc.
- Beauty and wellness technology company, ODDITY Tech Ltd.
- Web performance and security company, Cloudflare Inc.

Strategy, formerly known as MicroStrategy, is a business intelligence and data analytics software provider and bitcoin development company. The company has used cash flow from its core software business, alongside capital markets activity including equity and convertible debt issuance, to pursue a digital asset treasury strategy centered on accumulating bitcoin. Its shares were pressured, reflecting volatility in bitcoin prices and a compression in the premium at which its shares trade relative to net asset value.

Roblox is a video game platform that serves as an interface for playing games, a game engine for creation, and the infrastructure for hosting user-generated experiences. We believe the company benefits from network effect and efficient scale related competitive advantages, supported by a large and growing ecosystem of creators and users. Roblox is well positioned to gain share within mobile gaming and to expand into PC and console platforms, which together represent a substantial portion of the overall gaming market. Its shares were pressured as investors questioned the sustainability of growth following a period of rapid user engagement, including surpassing Fortnite's record for concurrent users and further inflecting to approximately 45 million concurrent users. Uncertainty around the next wave of user-generated experiences that will drive renewed growth has emerged before, and we believe this cycle is no different.

Detractor Bitmine Immersion Technologies is a digital asset company focused on Ethereum (ETH) accumulation and is pursuing a capital allocation strategy similar to Strategy (formerly MicroStrategy), centered on building ETH exposure through capital markets, with future optionality from staking and related initiatives. As one of the few public companies offering direct exposure to Ethereum, Bitmine provides a differentiated vehicle to participate in the network's long-term growth as a foundational layer for stablecoins, decentralized finance, and broader crypto applications. Its shares were pressured by weakness in crypto asset prices and compression in net asset value premiums across digital asset treasury companies. Despite near-term pressure, Bitmine continued to execute on its accumulation strategy, materially increasing its ETH holdings and reinforcing its position as the largest publicly listed Ethereum holder.

Conversely, stock selection in Health Care and Industrials, as well as an average sector underweight position in Utilities contributed to relative performance.

Top contributors QTD include:

- Drug development and discovery company, Roivant Sciences Ltd.
- General purpose database platform, MongoDB Inc.
- Biopharmaceutical royalties acquirer, Royalty Pharma Plc
- Biotechnology company, Alnylam Pharmaceuticals Inc.
- Cross-border e-commerce platform, Global-e Online Ltd.

Roivant Sciences is a biotechnology company focused on drug development and discovery. The company identifies, develops, and commercializes promising drug candidates that have been deprioritized or overlooked by larger pharmaceutical companies but still address significant unmet medical needs. Its Machine Learning-based development platform enables faster and more cost-effective drug development and supports a diverse and robust pipeline across multiple therapeutic areas. We believe Roivant benefits from efficient scale and intellectual property-related competitive advantages, allowing it to incubate and scale a portfolio of subsidiary companies focused on advancing high-potential therapies. Its shares advanced, driven by promising results across its portfolio companies, including Immunovant and Arbutus Biopharma, as well as an increased ownership stake in Immunovant.

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, supported by its scale, deep industry relationships, and long track record in structuring royalty transactions. By acquiring diversified royalty interests in approved or late-stage products, Royalty Pharma captures the upside of pharmaceutical innovation while remaining insulated from binary research and development risk. Its shares benefited from continued strong execution, as the company delivered solid quarterly results, raised its outlook, and improved investor confidence in the depth and robustness of its developmental portfolio pipeline and future royalty opportunities.

Global-e Online is the world's leading platform enabling and accelerating cross-border direct-to-consumer e-commerce through its integrated suite of communications, payments, fulfillment, and customs brokerage solutions. The company serves more than 1,000 global brands across over 200 destination markets and benefits from efficient scale related competitive advantages. Its shares were supported by solid fundamentals, as results exceeded expectations and management raised full-year guidance, citing resilient consumer spending trends, stable same-store sales, and a healthy merchant pipeline. While take-rate dynamics reflect mix shifts toward larger enterprise customers, management expects profitability to remain stable as the company continues to benefit from long-term structural tailwinds in global e-commerce.

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, 2025.

	MTD	QTD	YTD	1 YR	3 YR	5 YR	10 YR
MSIFT Discovery Portfolio	-1.05	-9.26	14.05	14.05	33.54	-5.15	13.42
Russell Mid Cap Growth Index	-1.34	-3.70	8.66	8.66	18.64	6.65	12.49
Lipper Mid Cap Growth Index	-0.79	-1.37	3.77	3.77	11.40	1.73	9.85

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 total expense ratio is 0.76% for Class I shares. 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 **Russell Mid Cap Growth Index** measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth Index. The index does not

include any expenses, fees or sales charges, which would lower performance. The index is unmanaged and not representative of any Morgan Stanley 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.

The **Lipper Mid Cap Growth Funds Index** is an equally weighted performance index of the largest qualifying funds (based on net assets) in the Lipper Mid Cap Growth Funds classification.

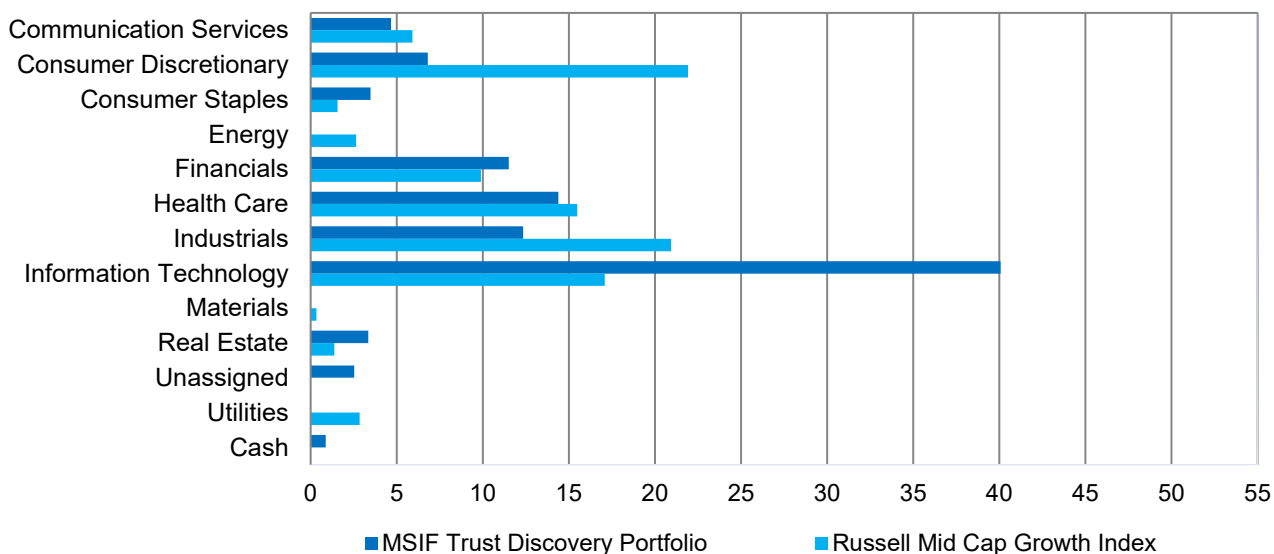
Top Ten Holdings

% of Total Net Assets, as of December 31, 2025. Subject to change.

Cloudflare	13.2
Affirm Holdings	7.8
Roivant Sciences	6.8
Databricks	6.7
QXO	6.5
Royalty Pharma	6.0
Floor & Décor	4.9
MongoDB	4.8
Core & Main	4.7
Roblox	4.7
TOTAL	66.1

Sector Allocation

As of December 31, 2025.



Source: FactSet Research Systems, Inc. / Morgan Stanley Investment Management.
Cash is frictional and accounted for 0.88% 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. **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 **medium capitalization companies** tend to be more volatile and less liquid than those of larger, more established, companies. **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. 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. **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

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