Morgan Stanley
INVESTMENT MANAGEMENT

COMMENTARY
September 30, 2025

Morgan Stanley Institutional Fund

Global Core Portfolio

APPLIED EQUITY ADVISORS TEAM

Performance Review

In the quarter period ending September 30, 2025, the Portfolio's I shares returned 9.94% (net of fees)[1], while the benchmark returned 7.27%.

As a core portfolio, Global Core attempts to tilt toward the style of stock exposure (growth, value, defensive) that offers the best opportunity within the context of a typically 40- to 60-stock portfolio. With a limited number of stocks, diversification[2]among positions is a critical component of risk control.

Following are the most significant performance drivers relative to the MSCI World Index benchmark for the third quarter of 2025:

1.Stock Selection:

a. CRH returned +31% in the quarter, adding +1.2%.

b. Tencent returned +32% in the quarter, adding +0.9%.

c. Alphabet returned +38% in the quarter, adding +0.8%.

d. Taiwan Semiconductor Manufacturing returned +24% in the quarter, adding +0.8%.

e. Apple returned +24% in the quarter, adding +0.7%.

f. Netflix returned -11% for the quarter, detracting -0.8%.

g. Ameriprise Financial returned -8% for the quarter, detracting -0.7%.

h. Brown & Brown returned -15% for the quarter, detracting -0.5%.

i. Progressive returned -8% for the quarter, detracting -0.5%.

j. Ferrari returned -1% for the quarter, detracting -0.5%.

2. Geographic Exposures:

a. There were no meaningful geographic contributors or detractors for the quarter.

3.Style Exposures:
a. An underweight to highly volatile stocks in the U.S. detracted -1.1%.
b. An overweight to low volatility stocks in the U.S. detracte -0.9%.

4.Sector exposures:
a. There were no meaningful sectoral contributors or detractors for the quarter.

Past performance is no guarantee of future results. The attribution is presented gross of fees. Had these fees and expenses been deducted, returns would be lower. See the next page for performance.

[1] Source: Morgan Stanley Investment Management. Data as of September 30, 2025. Performance for other share classes will vary.
[2] Diversification neither assures a profit nor guarantees against loss in a declining market.

Strategy and Outlook

1. Based on history, if an equity bull market made it to the fourth year, it was consistently positive.[3]
   a. The current equity bull market is just beginning its fourth year.
2. Federal Reserve (Fed) monetary policy is turning "friendlier."
   a. Don't fight the Fed.
3. Fiscal policy (One Big Beautiful Bill Act, in particular) will likely provide significant consumer stimulus starting in 2026.[4]
4. Investment sentiment historically follows price action.
   a. Based on equity market strength, sentiment is surprisingly less optimistic than should be at this point.[5]
   b. A sign more investors must be pulled into the equity markets before euphoria sets in.
5. Valuation is high; however:
   a. Valuation methodologies are only as accurate as the accuracies of Wall Street predictions of company earnings.
   b. In 2025, those predictions have proven to be too low.
   c. Hence, valuations may not be as high as perceived.
6. Dollar weakness led to outperformance of non-U.S. equities in the first half of 2025.
   a. Since this summer, the U.S. dollar has moderated and has outperformed non-U.S. currencies.
   b. Investors may have swung their equity allocations away from the U.S. at just the wrong time.
7. The biggest risk to the current bull market cycle is the speed at which it moves through the "Euphoria" stage.

How our portfolio is positioned:How our portfolio is positioned:

1. We continue to like a balance between growth and value stocks, and we remain focused on portfolio volatility to help mitigate the overall risk of the portfolio.
2. The favored regions are the U.S., China and Japan. Europe is the least favored region.
3. Financials and technology sectors are most favored, with health care as the least favored sector.

Past performance is no guarantee of future results. The market returns referred to in the commentary are those of representative indices and are not meant to depict the performance of a specific investment.

Fund Facts

Inception Date	May 27, 2016
Minimum Initial Investment ($)*	A Shares - 1,000
	I Shares - 1,000,000
Benchmark	MSCI World Net Index
Class I expense ratio	**Gross 1.72 %**
	Net 1.00 %
Class A expense ratio	**Gross 2.00 %**
	Net 1.35 %

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.

[3] Source: Strategas, Bloomberg L.P. Equity market is represented by the S&P 500 Index; data since 1957.
[4] Source: Strategas
[5] Source: American Association of Individual Investors (AAII) as of September 30, 2025. Equity market is represented by the S&P 500 Index.
* Share class availability may vary by platform. For more information, please visit the specified fund page on the website.

Performance (%)

As of September 30, 2025	MTD	QTD	YTD	1 YR	3 YR	5 YR	10 YR	SINCE INCEPTION
Class I Shares at NAV	4.12	9.94	18.06	19.46	23.63	13.05	--	11.19
Class A Shares at NAV	4.09	9.80	17.80	19.06	23.23	12.67	--	10.80
Class A Shares (With Max 5.25% Sales Charge)	-1.37	4.05	11.61	12.79	21.03	11.46	--	10.16
MSCI World Net Index	3.21	7.27	17.43	17.25	23.72	14.41	--	12.48

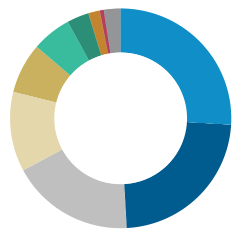
Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month end performance figures, please visit morganstanley.com/im. Investment returns and principal value will fluctuate 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.

Top Holdings (% of Total Net Assets)

	FUND	INDEX
NVIDIA Corp	6.88	5.65
CRH Plc	5.51	0.10
Microsoft Corp	5.51	4.54
Taiwan Semiconductor Mfg Co. Ltd	5.37	--
JPMorgan Chase & Co.	5.17	1.09
Ferrari NV	4.97	0.08
Apple Inc	4.76	4.72
Tencent Holdings Ltd	4.21	--
Banco Santander S.A.	3.77	0.19
Amazon.com Inc	3.72	2.60
Total	**49.87**	--

Sector Allocation (% of Total Net Assets)^



	FUND	INDEX
Financials	25.94	16.82
Information Technology	23.21	27.37
Consumer Discretionary	18.02	10.30
Communication Services	11.72	8.63
Industrials	7.41	11.19
Materials	5.78	3.23
Real Estate	3.23	1.92
Energy	1.66	3.42
Consumer Staples	0.62	5.43
Health Care	--	9.11
Utilities	--	2.58
Cash	2.42	--

^ May not sum to 100% due to rounding.

INDEX INFORMATION

The **MSCI World Net Index** is a free float adjusted market capitalization weighted index that is designed to measure the global equity market performance of developed 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 **Standard & Poor's 500® Index (S&P 500®)** measures the performance of the large cap segment of the U.S. equities market, covering approximately 80% 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 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 fund will decline and that the value of fund 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 fund. Please be aware that this fund may be subject to certain additional risks. In general, **equities securities'** values also fluctuate in response to activities specific to a company. Stocks of **small-and medium-capitalization** companies entail special risks, such as limited product lines, markets and financial resources, and greater market volatility than securities of larger, more established companies. Investments in **foreign markets** entail special risks such as currency, political, economic, market and liquidity risks. **Illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). **Non-diversified portfolios** often invest in a more limited number of issuers. As such, changes in the financial condition or market value of a single issuer may cause greater volatility. **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.

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 Stanley Investment Management (MSIM) and its subsidiaries and affiliates (collectively "the Firm"), and may not be reflected in all the strategies and products that the Firm offers.

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Certain information herein 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.

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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