Morgan Stanley Institutional Fund

Global Opportunity Portfolio

GLOBAL OPPORTUNITY

Performance Review

In the quarter period ending September 30, 2025, the Portfolio's I shares returned -0.54% (net of fees)[1], while the benchmark returned 7.62%.

Year-to-date (YTD), the Fund returned 16.76% (I shares net of fees) and the benchmark returned 18.44%.

Global Opportunity 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 underperformed the benchmark this quarter due to unfavorable stock selection despite favorable sector allocation.

Market Review

Global equity markets advanced in the third quarter, demonstrating remarkable resilience amid ongoing macroeconomic, geopolitical and trade policy uncertainty. In the U.S., the S&P 500 Index and Nasdaq Composite shrugged off tariff announcements to hit record highs on strong corporate earnings results and easing monetary policy by the Federal Reserve. Similarly, European equities benefited from interest rate cuts by the European Central Bank while in Asia, stocks in Korea, Japan and Taiwan hit record highs and China also performed strongly.

The rally in information technology and communication services companies continued to be driven by enthusiasm for generative artificial intelligence (AI). Defensive sectors characterized by high dividend yields and sensitivity to interest rates, including consumer staples and real estate, underperformed.

Portfolio Review

Stock selection in consumer discretionary, communication services and financials were the greatest overall detractors from the relative performance of the portfolio. Top individual detractors included Danish freight forwarder DSV A/S, Latin American ecommerce platform MercadoLibre, Swedish audio streaming platform Spotify Technology SA, cloud software platform ServiceNow and Chinese consumer super-app Meituan.

The portfolio's underweight allocations to consumer staples and health care, and overweight allocation to the consumer discretionary sector, were the greatest overall contributors to the relative performance of the portfolio during the period. Top individual contributors included Canadian ecommerce solution Shopify, food delivery platform DoorDash, Chinese online travel agent Trip.com, Taiwan Semiconductor Manufacturing Co., Ltd. and Latin American virtual bank Nu Holdings Ltd.

Shares of DSV declined on fears of global trade volumes slowing as a result of geopolitical uncertainty, including from the implementation of tariffs, as well as risk of weaker pricing as additional capacity enters the market. 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 MercadoLibre underperformed after reporting second quarter earnings below expectations driven by a contraction in operating margins as the company increases investments in marketing and lowers free shipping thresholds in Brazil. We believe that MercadoLibre is investing in the future of its ecommerce and fintech ecosystem to sustain long-term growth. MercadoLibre is the largest ecommerce platform in Latin America, with a presence in 19 countries including Brazil, Argentina and Mexico; 94 million active buyers on its online marketplaces; and 64 million fintech active users of its Mercado Pago digital payments platform.[2] We believe

1 Source: Morgan Stanley Investment Management. Data as of September 30, 2025. Performance for other share classes will vary.
2 Source: Company data as of March 31, 2025.

MercadoLibre can increasingly benefit by monetizing the uniqueness of its platform in Latin America, which has a population of more than 663 million and one of the fastest-growing internet penetration rates in the world.[3]

Shares of Shopify rallied after reporting second quarter earnings results and issuing forward guidance that exceed expectations. Management also commented that merchants “remained resilient” and noted that negative tariff impacts “did not materialize.” We believe that Shopify is unique due to its scale and network effects. Shopify is a one-stop, omni-channel commerce software provider for millions of brands and merchants that provides website, checkout, payment and shipping services. The company has a creative business model nurtured through partnerships with customers and application developers. Shopify integrates with social networking platforms and marketplaces, which enables scale that can help increase its take-rate as a percentage of gross merchandise volume and increase margins over time. The company’s “Shop Pay” product increases speed at checkout and enables higher checkout conversion rates for merchants while “Shopify Plus” serves large enterprise customers including well-known global brands. In 2023, the Canadian retail software platform shifted strategy by exiting its asset-heavy logistics services and reducing its workforce. Current investments in research and development aim to incorporate generative artificial intelligence features into its ecommerce software tools, such as “Shopify Magic” that automatically generates listings and images. We believe that Shopify can benefit from growth of both online and offline commerce given its product diversity and quality and low penetration of global retail sales.

Outlook

Equity markets in the third quarter were driven by continued enthusiasm around artificial intelligence and expectations of more accommodative monetary policy. These factors fueled strong performance in the information technology and communication services sectors. The resulting “risk-on” environment supported growth-oriented stocks, particularly those of more speculative and unprofitable companies. In contrast, quality and value segments lagged as more defensive sectors, such as consumer staples and real estate, underperformed.

Historically, our portfolio has tended to underperform during rotational market environments dominated by macroeconomic or industry-driven shifts, where top-down factors outweigh bottom-up fundamental analysis. During the quarter, the portfolio’s lack of exposure to five of the so-called “Magnificent Seven” (e.g., not owning Alphabet, Apple, Microsoft, NVIDIA and Tesla) accounted for nearly half (42%) of the Portolio's relative underperformance.

While the third quarter's underperformance is disappointing, our conviction in the portfolio’s holdings remains strong. The fundamentals of our companies are robust, with revenues expected to grow at a 14% compound annual rate over the next three years.[4] Moreover, 100% of our holdings are projected to generate positive free cash flow, with an attractive 4.7% free cash flow yield based on 2027 consensus estimates.[4]

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 0.93 %**
	Net 0.93 %
Class A expense ratio	**Gross 1.22 %**
	Net 1.22 %

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: United Nations Population Division, December 2024.
4 Source: Factset. Data as of September 30, 2025.
* 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
Class I Shares at NAV	2.18	-0.54	16.76	21.25	32.79	8.01	15.78
Class A Shares at NAV	2.16	-0.60	16.52	20.93	32.41	7.71	15.43
Class A Shares (With Max 5.25% Sales Charge)	-3.19	-5.82	10.41	14.58	30.04	6.55	14.81
MSCI All Country World Net Index	3.62	7.62	18.44	17.27	23.12	13.54	11.91

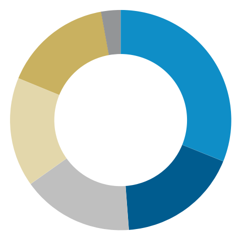
Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month end performance figures, please visit morganstanley.com/im. Investment returns and principal value will fluctuate 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
Meta Platforms Inc	7.57	1.77
Uber Technologies Inc	6.55	0.22
DoorDash Inc	6.37	0.11
Spotify Technology S.A.	5.55	0.12
MercadoLibre Inc	5.38	0.12
Schneider Electric SE	4.84	0.17
Taiwan Semiconductor Mfg Co. Ltd	4.35	1.17
ServiceNow Inc	4.09	0.21
DSV A/S	4.02	0.05
Coupang Inc	3.87	--
Total	**52.59**	--

Sector Allocation (% of Total Net Assets)^



	FUND	INDEX
Consumer Discretionary	31.25	10.65
Communication Services	17.78	8.83
Industrials	16.41	10.70
Information Technology	16.12	27.17
Financials	16.05	17.40
Consumer Staples	--	5.28
Energy	--	3.46
Health Care	--	8.50
Materials	--	3.58
Real Estate	--	1.87
Utilities	--	2.55
Cash	2.82	--

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

INDEX INFORMATION

The **MSCI All Country World Net Index (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 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.

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.

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 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.

This material is a general communication, which is not impartial and all information provided has been prepared solely for informational and educational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The information herein has not been based on a consideration of any individual investor circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

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.

Morgan Stanley Investment Management is the asset management division of Morgan Stanley.