Morgan Stanley

INVESTMENT MANAGEMENT

COMMENTARY

March 31, 2026

Morgan Stanley Institutional Fund

Growth Portfolio

COUNTERPOINT GLOBAL

Performance Review

For the quarter ending March 31, 2026, the Fund I class shares returned -15.37% (net of fees), while the Russell 1000 Growth Index returned -9.78% and the Lipper Large Cap Growth returned -8.74%.

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 1000 Growth Index this quarter due to unfavorable stock selection.

Market Review

Large cap growth equities, as measured by the Russell 1000 Growth Index, declined quarter to date. Financials, Information Technology and Consumer Discretionary underperformed the benchmark, while Energy, Consumer Staples and Industrials outperformed the benchmark.

Potential artificial intelligence (AI) disruption and displacement, particularly within software, weighed heavily on investor sentiment during the quarter, while escalating geopolitical tensions tied to the Iran conflict further increased uncertainty and contributed to elevated market volatility.

We believe we are in a highly rotational and perception-driven market environment. Significant investor enthusiasm for perceived first-order AI beneficiaries has continued to influence market results, as companies seeing immediate earnings benefit from AI-related capital expenditure—particularly across semiconductors, hardware, and parts of the energy sector—have led performance, while other areas of the market have effectively become a source of capital to fund this trade. While there are legitimate debates about the impact AI may have on some types of businesses, we believe the market is currently pricing in worst-case scenarios. We continue to see solid underlying fundamentals across our holdings and maintain exposure selectively to businesses we believe have little or no AI disruption risk. AI adoption remains in the early stages, yet market behavior suggests near-term disruption broadly across multiple industries. We continue to differentiate between software that may be more easily displaced versus platforms that are deeply embedded, differentiated, or act as infrastructure-like hubs and are therefore less vulnerable to significant AI disruption.

We believe many of the businesses we own will benefit from AI over time, even though they are not the primary first-order beneficiaries, as they deploy AI tools to drive productivity and efficiency gains and improve profitability over time. Our AI exposure is centered on companies benefiting from real-world application of AI tools rather than infrastructure build-out, consistent with our view that long-term winners tend to be the adopters of transformative technologies.

Portfolio Review

Quarter-to-date underperformance has been primarily driven by unfavorable stock selection in Information Technology, Financials and Consumer Discretionary.

Top detractors QTD include:

- Advertising technology company, Applovin Corp.
- Payments technology services platform, Affirm Holdings Inc.

- Food delivery company, DoorDash Inc.
- Videogame platform, Roblox Corp.
- Commerce solutions platform, Shopify Inc.

Top detractor AppLovin is an advertising technology platform that primarily focuses on mobile gaming advertising and ecommerce advertising. Its software solutions provide tools for developers to automate and optimize the advertising and monetization of their apps. We believe the company benefits from efficient scale and intellectual property related competitive advantages and is well positioned to benefit from the continued secular growth in advertising within mobile applications and ecommerce. Its shares underperformed during the quarter, driven by the broader sell-off in software companies despite continued strength in its core advertising platform. We do not view AI-generated content as a threat and believe lower barriers to game creation should increase demand for AppLovin’s solutions, reinforcing its long-term positioning.

Detractor 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 underperformed during the quarter, driven by regulatory uncertainty and concerns around consumer health, despite continued solid credit performance and strong execution.

Detractor DoorDash is a leading food delivery company in the United States. We believe the company can leverage this position over time to become an on-demand logistics platform for same-city deliveries across multiple categories. We believe the company benefits primarily from efficient scale and brand related competitive advantages and is well positioned to benefit from the secular growth in delivery across product categories as consumers increasingly value and seek the convenience it offers. The company reported strong fundamental results, including improving unit economics and continued traction across new verticals, although its shares were pressured by broader market rotation during the quarter.

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

Top contributors QTD include:

- Biopharmaceutical royalties acquirer, Royalty Pharma Plc
- Drug development and discovery company, Roivant Sciences Ltd.
- Web performance and security company, Cloudflare Inc.
- Medical supply company, Medline Inc.
- Autonomous trucking company, Aurora Innovation, Inc.

Top contributor Roivant Sciences is a biotechnology company focused on drug development and discovery. The company identifies and advances promising drug candidates that have been deprioritized by larger pharmaceutical companies but address significant unmet medical needs. Its shares advanced, driven by continued clinical progress, important regulatory milestones, and increased confidence in the breadth of its portfolio, alongside improved financial flexibility following a large settlement.

Contributor 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 and increasing demand for innovative therapies. Its shares outperformed during the quarter, supported by strong results, better-than-expected outlook, and a robust pipeline of upcoming catalysts.

Contributor Cloudflare offers a global cloud platform that provides security, performance, and reliability services to the applications of its customers. The company’s cloud platform has a proprietary architecture that allows it to scale rapidly to meet customer demands, and its services are easily deployed and enable customers to run their applications without managing expensive and complex network hardware internally. We believe the company benefits primarily from intellectual property and efficient scale related competitive advantages and is well positioned as enterprises seek high-performance, low cost, and secure access to the internet, and developers build an increasing number of applications on its platform. Its shares outperformed during the quarter following strong results and accelerating growth, although we believe recent volatility reflects broader concerns around software and AI disruption rather than changes in company fundamentals.

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 March 31, 2026.

	MTD	QTD	YTD	1 YR	3 YR	5 YR	10 YR
MSIF Growth Portfolio	-4.62	-15.37	-15.37	18.10	25.55	-1.16	14.75
Russell 1000 Growth Index	-5.21	-9.78	-9.78	18.81	21.18	12.76	16.83
Lipper Large Cap Growth Index	-5.32	-8.74	-8.74	18.68	20.55	10.33	15.52

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 0.62% 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 1000® Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Index is an index of approximately 1,000 of the largest U.S. companies based on a combination of market capitalization and current index membership.

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

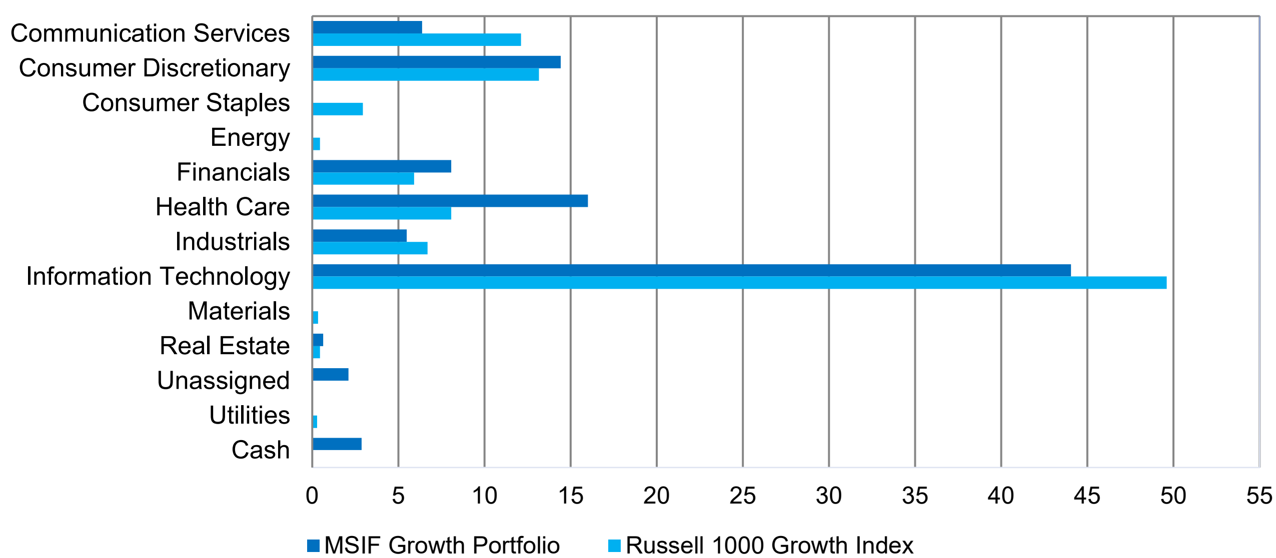
Top Ten Holdings

% of Total Net Assets, as of March 31, 2026. Subject to change.

Cloudflare	14.0
Tesla	9.4
Royalty Pharma	7.6
Databricks	6.9
AppLovin	5.6
QXO	5.5
Roblox	4.6
Roivant Sciences	4.6
Affirm Holdings	4.5
Shopify	4.1
TOTAL	**66.8**

Sector Allocation

As of March 31, 2026.



Source: FactSet Research Systems, Inc. / Morgan Stanley Investment Management.
Cash is frictional and accounted for 2.86% 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**). **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.
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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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