

Morgan Stanley Institutional Fund

Inception Portfolio



Performance Review

For the quarter ending September 30, 2025, the Fund I class shares returned 12.38% (net of fees), while the Russell 2000 Growth Index returned 12.19% and the Lipper Small Cap Growth Index returned 5.55%.

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 outperformed the Russell 2000 Growth index this quarter due to favorable stock selection.

Market Review

Small cap growth equities, as measured by Russell 2000 Growth Index, advanced quarter to date. Materials, Utilities and Industrials led benchmark gains, while Financials, Consumer Staples, and Communication Services underperformed the benchmark.

While tariffs remained a source of uncertainty and overall market volatility, the quarter saw a shift toward a more dovish Fed stance, with expectations for additional rate cuts broadening through year-end. AI optimism continued to drive market leadership, as enthusiasm for the technology's potential supported strength across several industries. Amid heightened market enthusiasm, a growing sense of caution has surfaced around monetization challenges, uncertain productivity outcomes, and intensifying competition.

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 outperformance has been primarily driven by favorable stock selection in Information Technology and Materials, as well as a sector underweight position in Financials.

Top contributors QTD include:

- Rare earth specialty materials producer, MP Materials Corp.
- Digital homebuying platform, Opendoor Technologies Inc.
- Quantum computing company, IonQ Inc.
- Drug development and discovery company, Roivant Sciences Ltd.
- Web performance and security company, Cloudflare Inc.

Contributor IonQ develops general-purpose quantum computing systems. The company sells access to its quantum computers through cloud platforms, such as Amazon Web Services' (AWS) Amazon Braket, Microsoft's Azure Quantum, and Google's Cloud Marketplace, as well as through its own cloud service. The company's shares outperformed following a series of encouraging announcements, including the U.K. government's approval and subsequent closing of its acquisition of Oxford Ionics, which along with the earlier LightSync acquisition is expected to accelerate its technology roadmap. We remain encouraged by management's execution and believe IonQ is well positioned as a leader in the advancement of quantum computing.

Cloudflare, a global cloud platform that provides a number of network services, also remained a strong contributor to portfolio performance, due to solid results that outpaced consensus expectations. Management commented that the company is seeing benefits of its investment in the sales effort through improving salesforce productivity, higher deal close rates, and better than expected new sales pipeline generation.

Conversely, stock selection in Consumer Discretionary and Consumer Staples, as well as an average sector underweight position in Industrials detracted most from relative performance.

Top detractors QTD include:

- Health care services provider, Agilon Health Inc.
- Beauty & wellness technology platform, ODDITY Tech Ltd.
- Texas Landowner, LandBridge Co. LLC
- Health care and Bitcoin development company, Semler Scientific Inc.
- Premium fast casual restaurant, Shake Shack Inc.

Top detractor Agilon Health is a health care services provider, offering its Total Care platform to a network of community-based physicians looking to transition from a traditional fee-for-service reimbursement model toward a value-based care model for their Medicare Advantage patients. We believe Agilon benefits primarily from an efficient scale competitive advantage and is positioned well as a leading player in a fast-growing and underpenetrated market. The company underperformed following disappointing results and the suspension of full-year guidance amid a CEO transition. Near term, management is focused on improving profitability and cost visibility through better contract economics, expanded incentive-based quality programs, and enhanced data capabilities, while longer term, a more favorable Medicare Advantage rate environment should support the company's efforts. We are closely monitoring the situation as the company works to stabilize performance and execute its strategic initiatives.

Detractor Landbridge is a large landowner in the Permian Basin of Texas and New Mexico, generating recurring revenue from a variety of activities across its land. While current revenue is primarily tied to oil and gas production, given the region's position as the leading oil-producing area in the United States, the company is also poised to benefit from increasing diversification into areas such as solar energy and data center developments. We believe the company benefits from efficient scale related competitive advantages and remains well positioned to capitalize on the opportunity to maximize the value of its land, resources, and water. Its shares underperformed during the quarter, reflecting weaker commodity prices and limited merger and acquisition activity.

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 September 30, 2025.

	MTD	QTD	YTD	1 YR	3 YR	5 YR	10 YR
MSIF Inception Portfolio	7.24	12.38	16.85	53.22	26.85	5.98	14.35
Russell 2000 Growth Index	4.15	12.19	11.65	13.56	16.68	8.41	9.91
Lipper Small Cap Growth Index	1.24	5.55	4.67	5.32	13.98	7.41	10.73

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 gross expense ratio for Class I shares is 1.13%. The net expense ratio is 1.00%. 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 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 2000 Growth Index** measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-book ratios and higher forecasted growth values. The index does not include any expenses, fees or sales charges, which would lower the 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 Small Cap Growth Funds Index** is an equally weighted performance index of the largest qualifying funds (based on net assets) in the Lipper Small Cap Growth Funds classification.

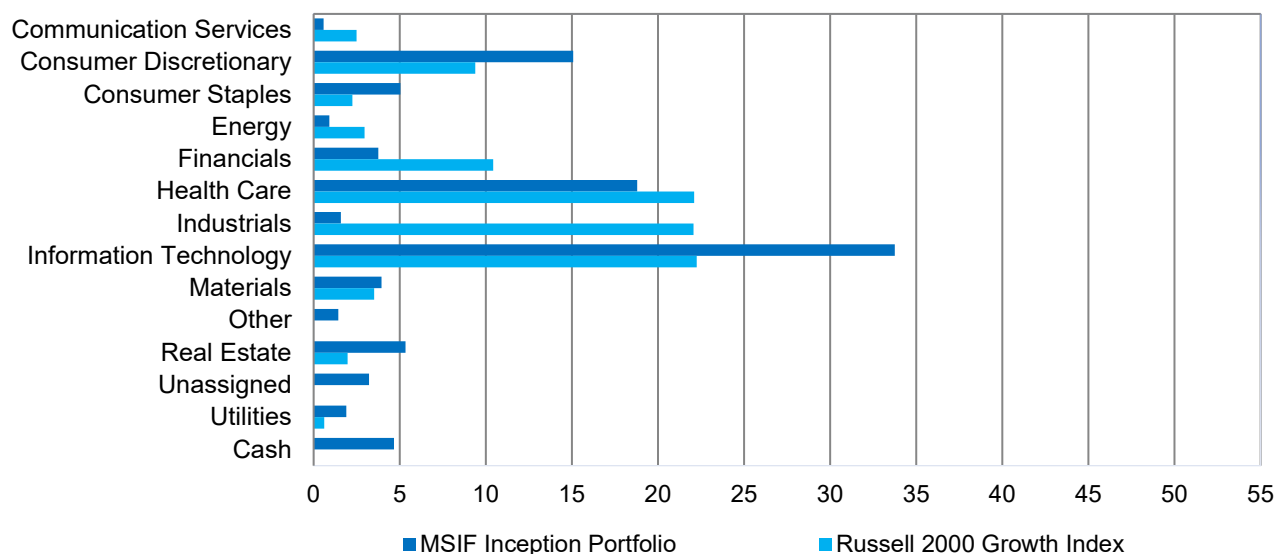
Top Ten Holdings

% of Total Net Assets, as of September 30, 2025. Subject to change.

Cloudflare	12.1
IonQ	6.9
Roivant Sciences	5.2
Oddity Tech	5.0
Bitmine Immersion Technologies	5.0
Floor & Décor Holdings	4.6
MP Materials	4.0
Aurora Innovation	3.9
Landbridge	3.8
Global-e Online	2.8
TOTAL	53.3

Sector Allocation

As of September 30, 2025.



Source: FactSet Research Systems, Inc. / Morgan Stanley Investment Management.

Cash is frictional and accounted for 4.67% 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, including those associated with: In general, **equity securities'** values also fluctuate in response to activities

specific to a company. Stocks of **small-capitalization companies** carry 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, and market risks. The risks of investing in **emerging market** countries are greater than the risks generally 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. **Portfolio Turnover.** Consistent with its investment policies, the Fund will purchase and sell securities without regard to the effect on portfolio turnover. Higher portfolio turnover will cause the Fund to incur additional transaction costs. **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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