Morgan Stanley Institutional Fund

Growth Portfolio

COUNTERPOINT GLOBAL

Performance Review

For the quarter, the Growth Portfolio returned 14.33% (net of fees), while the Russell 1000 Growth Index returned 3.19% and the Lipper Large Cap Growth Index returned 2.59%.

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 1000 Growth Index this quarter due to favorable stock selection.

Market Review

Large cap growth equities, as measured by Russell 1000 Growth Index, advanced quarter to date. Utilities, Real Estate and Materials led benchmark gains, while Communication Services, Health Care and Information Technology underperformed the benchmark.

In the first half of the year market results were dominated by a few mega cap companies. As a more dovish Federal Reserve started its pivot with a more aggressive rate cut, expectations for further easing grew and a broader range of companies saw stronger results with sentiment toward higher growth equities improving. Against this backdrop, we continued to focus on company-specific fundamentals, which across portfolio holdings have largely remained healthy and in-line with our expectations. We continue to own unique companies with attractive end-game potential, strong balance sheets, and multiple competitive advantages that we believe can be long-term winners over the next three to five years. 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.

Portfolio Review

Quarter to date outperformance has been driven by favorable stock selection in Consumer Discretionary, Information Technology and Financials.

Top contributors QTD include:

- Food delivery company, DoorDash Inc.
- Payments technology services platform, Affirm Holdings Inc.
- Commerce solutions platform, Shopify Inc.
- Used cars ecommerce platform, Carvana
- Electric vehicle developer, Tesla

Top contributor DoorDash is a leading food delivery company in the U.S. We believe it 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 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 healthy fundamental results characterized by strong engagement numbers, record-high order frequency, and continued traction in their DashPass membership program.

Contributor 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 advanced due to better-than-expected results and an upbeat outlook, driven by continued business traction, healthy trends across new business initiatives, and improved investor sentiment following the Federal Reserve initiating interest rate cuts.

Contributor Shopify is an ecommerce software and services provider that has created a platform that enables retailers and manufacturers to build and expand their online presence. We believe Shopify benefits from an efficient scale and cost related competitive advantages, and is positioned well to continue acquiring merchants of all sizes on its platform and offering its customers a comprehensive suite of services. We believe the company can be a beneficiary of the continued secular shift away from offline retail towards online retail as consumers increasingly value the convenience, cost, and selection advantages ecommerce offers. Its shares advanced as the company reported better than expected results and a strong financial outlook, characterized by improved profitability and operating efficiency. Shopify continues to execute across key initiatives, including its expansion into larger enterprise customers and international markets, while staying lean and keeping costs down.

Conversely, stock selection in Industrials, as well as sector positioning in Industrials and Materials detracted most from relative performance.

Top detractors QTD include:

- Lodging and experience platform, Airbnb
- Cloud data platform, Snowflake
- Healthcare services provider, Agilon Health
- Global mobility and food delivery platform, Uber Technologies
- Cryptocurrency exchange, Coinbase

Top detractor Airbnb operates a marketplace that connects hosts and guests online to book spaces and experiences. We believe the company benefits from network effects and brand related competitive advantages, and is well positioned to capitalize on the global shift in consumer preferences toward one-of-a-kind stays and experiences. The company reported mixed results and near-term profitability outlook. We attribute its underperformance to softer demand across the broader travel sector, coupled with investor concerns around increased marketing spend.

Detractor Snowflake is a cloud data platform that separates storage, compute and cloud services and allows each to scale independently, providing massive scalability and flexibility to customers in storing and analyzing data. We believe the company benefits from intellectual property and brand related competitive advantages, and is well positioned as a growing number of organizations focus on leveraging their data assets in a cost-effective manner to derive better insights. Despite reporting healthy fundamental results characterized by better-than-expected quarterly sales, its shares languished due to heightened consensus expectations around the magnitude of the sales beat. Weaker investor sentiment towards the software sector also continued to pressure performance.

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 and towards 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. Its shares have been under pressure over the last year due to a prolonged increase in cost trends, driven by higher patient service and procedure utilization across the industry, and this had led the company to lower its financial outlook for a few quarters.

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, 2024.

	MTD	QTD	YTD	1 YR	3 YR	5 YR	10 YR
MSIF Growth Portfolio	6.07	14.33	14.60	38.72	-14.08	9.76	12.14
Russell 1000 Growth Index	2.83	3.19	24.55	42.19	12.02	19.74	16.52
Lipper Large Cap Growth Index	2.15	2.59	23.89	41.53	8.65	17.46	14.71

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 0.56% 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.

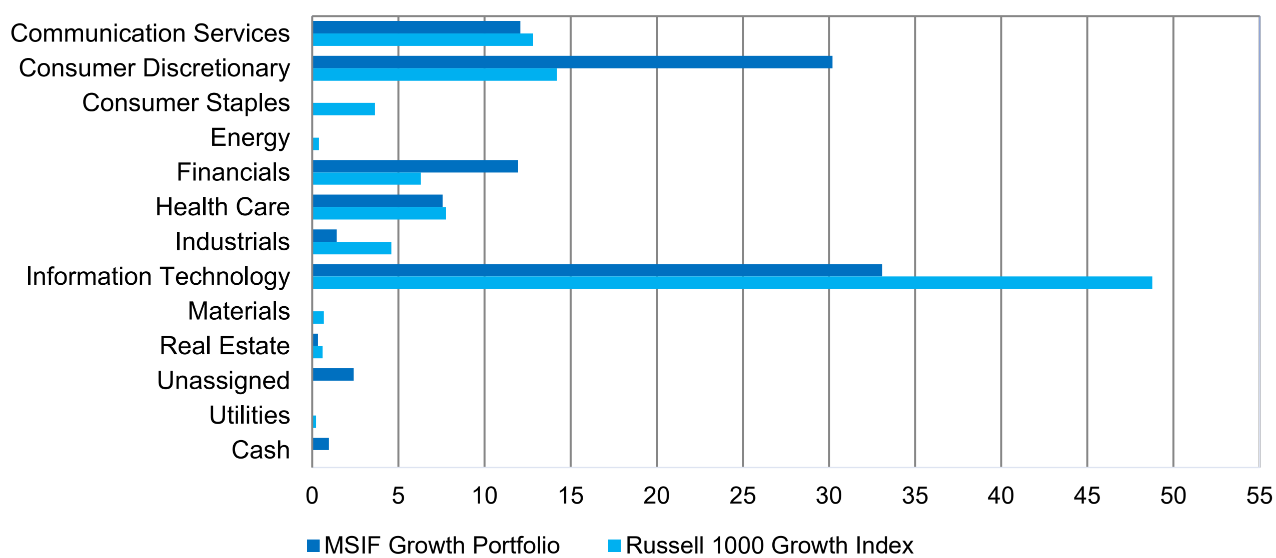
Top Ten Holdings

% of Total Net Assets, as of September 30, 2024. Subject to change.

DoorDash	8.4
Cloudflare	8.2
Trade Desk	7.4
Tesla	7.3
Shopify	6.7
Affirm Holdings	6.3
Microstrategy	5.2
Carvana	4.8
Roblox	4.7
Royalty Pharma	4.4
TOTAL	**63.4**

Sector Allocation

As of September 30, 2024.



Source: FactSet Research Systems, Inc. / Morgan Stanley Investment Management.
Cash is frictional and accounted for 0.97% 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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