

Morgan Stanley Institutional Fund  
Global Franchise Portfolio

INTERNATIONAL EQUITY TEAM

**Performance Review**

In the quarter period ending September 30, 2025, the Portfolio's I shares returned -3.14% (net of fees)<sup>1</sup>, while the benchmark returned 7.27%.

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**Market Review**

QA Market Review

**Portfolio Activity**

QA Portfolio Activity

**Outlook**

QA Outlook

**Fund Facts**

Inception Date	November 28, 2001
Minimum Initial Investment (\$)*	A Shares - 1,000 I Shares - 1,000,000
Benchmark	MSCI World Net Index
Class I expense ratio	<b>Gross 0.93 %</b> <b>Net 0.93 %</b>
Class A expense ratio	<b>Gross 1.16 %</b> <b>Net 1.16 %</b>

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.

<sup>1</sup> Source: Morgan Stanley Investment Management. Data as of September 30, 2025. Performance for other share classes will vary.  
\* Share class availability may vary by platform. For more information, please visit the specified fund page on the website.

This document constitutes a commentary and does not constitute investment advice nor a recommendation to invest. The value of investments may rise as well as fall. Independent advice should be sought before any decision to invest.

## Performance (%)

As of September 30, 2025	MTD	QTD	YTD	1 YR	3 YR	5 YR	10 YR
Class I Shares at NAV	-1.91	-3.14	3.81	0.38	13.46	7.00	10.41
Class A Shares at NAV	-1.95	-3.21	3.59	0.13	13.18	6.74	10.13
Class A Shares (With Max 5.25% Sales Charge)	-7.10	-8.29	-1.86	-5.14	11.16	5.60	9.54
MSCI World Net Index	3.21	7.27	17.43	17.25	23.72	14.41	12.43

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](http://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.

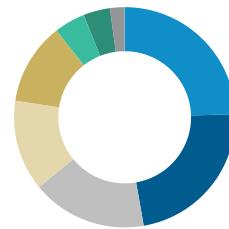
Returns are net of fees and assume the reinvestment of all dividends and income. They are compared to an unmanaged market index. Returns for less than one year are cumulative (not annualized). Performance for one year or more is based on average annual total returns. The returns are reported for Class I and A shares. Performance for other share classes will vary.

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.

## Top Holdings (% of Total Net Assets)

	FUND	INDEX
Microsoft Corp	9.10	4.54
SAP SE	7.95	0.35
Visa Inc	4.93	0.73
RELX Plc	4.88	0.11
Arthur J Gallagher & Co.	4.10	0.10
Alphabet Inc	3.91	3.24
Automatic Data Processing Inc	3.77	0.15
Coca-Cola Co.	3.73	0.34
Procter & Gamble	3.49	0.45
L'Oréal S.A.	3.49	0.13
<b>Total</b>	<b>49.35</b>	--

## Sector Allocation (% of Total Net Assets)<sup>^</sup>



	FUND	INDEX
Information Technology	24.60	27.37
Financials	22.70	16.82
Industrials	16.88	11.19
Health Care	13.31	9.11
Consumer Staples	12.05	5.43
Consumer Discretionary	4.53	10.30
Communication Services	3.91	8.63
Energy	--	3.42
Materials	--	3.23
Real Estate	--	1.92
Utilities	--	2.58
Cash	2.13	--

<sup>^</sup> 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 **S&P 500 Quality Index** measures the performance of high quality stocks in the S&P 500, based on a quality score calculated from return on equity, accruals ratio and financial leverage ratio.

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 portfolio will achieve its investment objective. Portfolios are subject to market risk,

which is the possibility that the market value of securities owned by the portfolio will decline. Portfolios are subject to market risk, which is the possibility that the market value 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 strategy may be subject to certain additional risks. **ESG strategies** that incorporate impact investing and/or Environmental, Social and Governance (ESG) factors could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. As a result, there is no assurance ESG strategies could result in more favorable investment performance. Changes in the worldwide economy, consumer spending, competition, demographics and consumer preferences, government regulation and economic conditions may adversely affect **global franchise companies** and may negatively impact the strategy to a greater extent than if the strategy's assets were invested in a wider variety of companies. 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. **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. **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.

## 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

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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 commentary), download one at [morganstanley.com/im](http://morganstanley.com/im) or call 1-800-548-7786. Please read the prospectus carefully before investing.**

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