

Morgan Stanley Investment Funds US Growth Fund



Performance Review

In the one month period ending 30 April 2024, the Fund's I shares returned -8.15% (net of fees)¹, while the benchmark returned -4.25%.

Year-to-date (YTD), the Fund returned -2.39% (net of fees), underperforming the benchmark return of 6.62%.

Top detractors YTD include:

- Payments technology services platform, Affirm
- Health care services provider, Agilon Health
- Cloud data platform, Snowflake
- Video game platform, Roblox
- Financial automation and payments software provider, Bill

Top contributors YTD include:

- Used cars ecommerce platform, Carvana
- Food delivery company, DoorDash
- Mobility and food delivery platform, Uber Technologies
- Lodging and experience platform, Airbnb
- Web performance and security company, Cloudflare

Market Review

Large-cap growth equities, as measured by Russell 1000 Growth, advanced year-to-date. Utilities, Communication Services, and Information Technology led benchmark gains, while Real Estate, Consumer Discretionary, and Industrials underperformed the benchmark.

Portfolio Review

YTD Fund underperformance has been driven by unfavorable stock selection in Information Technology, Financials, and Health Care. Conversely, stock selection in Consumer Discretionary and Industrials, as well as a sector underweight position in Real Estate contributed to relative performance.

The fundamentals of our portfolio holdings remain strong despite an uncertain macroeconomic environment. Over the next three years, our companies are expected to grow revenues at 18% versus 13% for the benchmark² and 97% of the portfolio is expected to be free cash flow positive or neutral in 2024 (estimated).³ We have confidence that our companies are making the right investments to maximize the long-term end game potential of their businesses.

The portfolio is currently overweight Consumer Discretionary, Financials, and Utilities, and underweight Information Technology, Consumer Staples, and Industrials.

Strategy and 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 believe 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.

For further information, please contact your Morgan Stanley Investment Management representative.

Fund Facts

Launch date	01 August 1992
Base currency	U.S. dollars
Benchmark	Russell 1000 Growth Net 30% Withholding Tax TR Index

¹ Source: Morgan Stanley Investment Management Limited. Data as of 30 April 2024.

² Based on FactSet Consensus Estimates. Three-Year Forward Weighted Average Revenue Growth is the increase in net sales for the next three years. Data as of 30/04/24.

³ Based on 2024 FactSet Consensus Estimates or CapitalIQ consensus estimates and Counterpoint Global analysis when consensus estimates are not available. Neutral Free Cash Flow is defined as FCFE margin $\geq -5\%$ and $\leq 0\%$. Data as of 05/04/24.

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Calendar Year Returns (%)

Past performance is not a reliable indicator of future results.

	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class I Shares	-2.39	49.29	-60.29	1.88	117.14	22.32	5.58	44.14	-2.40	11.38	7.01
Russell 1000 Growth Net 30% Withholding Tax TR Index	6.62	42.30	-29.34	27.32	38.08	35.88	-1.89	29.67	6.56	5.19	12.54

All performance data is calculated NAV to NAV, net of fees, and does not take account of commissions and costs incurred on the issue and redemption of units. The sources for all performance and Index data is Morgan Stanley Investment Management. **Please visit our website www.morganstanley.com/im to see the latest performance returns for the fund's other share classes.**

Share Class I Risk and Reward Profile

- The fund may be impacted by movements in the exchange rates between the fund's currency and the currencies of the fund's investments.
- The fund relies on other parties to fulfill certain services, investments or transactions. If these parties become insolvent, it may expose the fund to financial loss.
- Sustainability factors can pose risks to investments, for example: impact asset values, increased operational costs.
- There may be an insufficient number of buyers or sellers which may affect the funds ability to buy or sell securities.
- Investment in China A-Shares via Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programs may also entail additional risks, such as risks linked to the ownership of shares.
- There are increased risks of investing in emerging markets as political, legal and operational systems may be less developed than in developed markets.

- Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. The value of investments and the income from them can go down as well as up and investors may lose all or a substantial portion of his or her investment.
- The value of the investments and the income from them will vary and there can be no assurance that the Fund will achieve its investment objectives.
- Investments may be in a variety of currencies and therefore changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Furthermore, the value of investments may be adversely affected by fluctuations in exchange rates between the investor's reference currency and the base currency of the investments.

Please refer to the Prospectus for full risk disclosures. All data as of 30 April 2024 and subject to change daily.

Applications for shares in the Fund should not be made without first consulting the current Prospectus and the Key Information Document ("KID") or Key Investor Information Document ("KIID"), which are available in English and in the official language of your local jurisdiction at morganstanleyinvestmentfunds.com or free of charge from the Registered Office of Morgan Stanley Investment Funds, European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192.

Information in relation to sustainability aspects of the Fund and the summary of investor rights is available at the aforementioned website.

If the management company of the relevant Fund decides to terminate its arrangement for marketing that Fund in any EEA country where it is registered for sale, it will do so in accordance with the relevant UCITS rules.

INDEX INFORMATION

The **Russell 1000 Growth Net 30% Withholding Tax TR Index** measures the performance of the large-cap growth segment of the U.S. equity universe, net 30% withholding tax TR. 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 **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

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