

High Conviction U.S. Equity Investing

FUND FLYER | MARCH 2021

“We believe the long-term ownership of unique companies whose market value can increase significantly for underlying fundamental reasons is a strong foundation for successful investing” says Dennis Lynch, head of Counterpoint Global.¹

The *MSIF Growth* and *MSIF Advantage Portfolios* are highly rated U.S. large cap equity funds managed by Counterpoint Global. They share a common philosophy and process, but are distinct in the types of companies owned, resulting in different return profiles.

Shared attributes

COMPANIES WITH SUSTAINABLE COMPETITIVE ADVANTAGES

The investment team looks for unique companies with sustainable competitive advantages and the potential to redeploy capital at attractive rates of return.

LONG TERM OWNERSHIP MINDSET

The team focuses on End Game—each business’ long term market cap potential—rather than short-term events.

UNIQUE PERSPECTIVE

The team gains unique perspective in managing assets across the market cap spectrum and globally, to understand competitive dynamics more completely in an effort to identify the best positioned companies early.

DIFFERENTIATED PILLARS OF RESEARCH

Fundamental analysis is combined with disruptive change research to identify companies that can benefit from disruption or are relatively insulated from it. Environmental Social and Governance (ESG) research focuses on corporate approach, commitment, and impact on enterprise value creation.

HISTORICAL OUTPERFORMANCE

Through changing environments, both portfolios have strong long-term track records as shown in the charts on page 2.

Key distinctions

As of March 31, 2021

	Growth	Advantage
PROCESS DISTINCTIONS		
Types of companies	Established and emerging business	Primarily established businesses
Source of company uniqueness	Switching costs, network effects, brands, efficient scale and intellectual property	Switching costs, network effects, brands and efficient scale
OUTPUT DISTINCTIONS		
Number of holdings	43	43
Overlap	56.91% (with Advantage)	59.96% (with Growth)
Volatility²	Moderate risk: • Beta of 1.14 • Std. dev of 26.61	Lower risk: • Beta of 1.01 • Std. dev of 21.98
Active share²	86%	84%
Upside capture²	115%	101%
Downside capture²	66%	76%

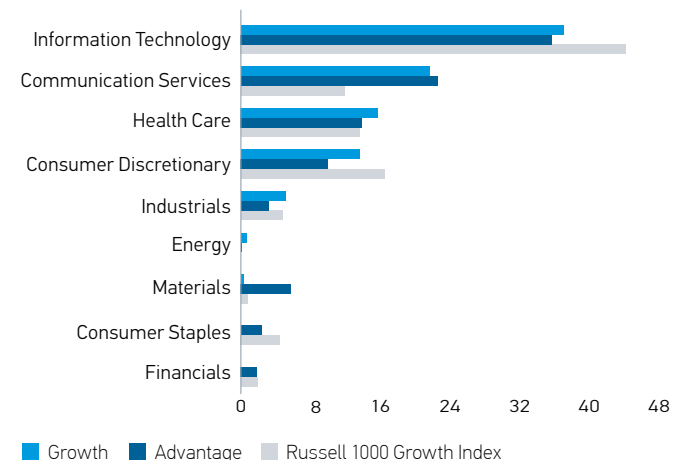
Top holdings

As of March 31, 2021

	Growth (%)	Advantage (%)
Amazon.com	5.49	5.22
Square	5.35	5.26
Uber Technologies	5.16	--
Shopify	5.06	5.09
Twitter	5.01	6.13
Zoom Video Communications	4.46	--
Snap	4.38	--
Spotify Technology	4.12	4.10
Intuitive Surgical	3.68	4.89
Twilio	3.66	5.04
Veeva Systems	--	4.68
IAC/ Interactivecorp	--	3.48
Facebook	--	3.46
% OF PORTFOLIO IN TOP 10 HOLDINGS	46.37	47.35

Sector breakdown

As of March 31, 2021



Source: FactSet Research Systems Inc., Morgan Stanley Investment Management. Subject to change daily. Sector breakdown may not sum to 100%. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or in the sectors shown above.

Two strong long-term track records (As of March 31, 2021)

Growth Portfolio (MSEQX)

★★★★★ MORNINGSTAR OVERALL RATING³

Out of 1186 Large Growth Funds. Based on Risk Adjusted Return.

	PERCENTILE RANK	RANK/TOTAL IN CATEGORY	ANNUALIZED RETURN % (CLASS I)		RELATIVE RETURN %
			FUND	INDEX	RELATIVE RETURN
1 Year	1	13/1282	120.19	62.74	57.45
3 Year	3	24/1186	36.77	22.80	13.97
5 Year	2	16/1065	33.21	21.05	12.16
10 Year	1	3/788	22.08	16.63	5.45
SI (04/02/1991)	2	2/71	13.62	10.57	3.05

Morningstar rankings are based on total returns.

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. 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. SI = Since Inception.

The gross expense ratios for the Growth Portfolio and Advantage Portfolio (Class I shares) are 0.59% and 0.93%, respectively, and the net expense ratios are 0.59% and 0.85%, respectively. 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. The minimum initial investment is \$5,000,000 for Class I shares.

Advantage Portfolio (MPAIX)

★★★★★ MORNINGSTAR OVERALL RATING³

Out of 1186 Large Growth Funds. Based on Risk Adjusted Return.

	PERCENTILE RANK	RANK/TOTAL IN CATEGORY	ANNUALIZED RETURN % (CLASS I)		RELATIVE RETURN %
			FUND	INDEX	RELATIVE RETURN
1 Year	7	80/1282	88.23	62.74	25.49
3 Year	6	61/1186	28.74	22.80	5.94
5 Year	6	58/1065	25.64	21.05	4.59
10 Year	4	22/788	19.41	16.63	2.78
SI (06/30/2008)	5	23/664	16.33	14.06	2.27

¹ The view and opinions are those of the portfolio manager as of March 31, 2021 and are subject to change at any time due to market or economic conditions and may not necessarily come to pass.

² **Active Share** is the fraction of the portfolio or fund that is invested differently than its benchmark as of the last day of the reporting period. A portfolio with a high degree of Active Share does not assure a fund's relative outperformance. Active Share calculation may consolidate holdings with the same economic exposure. **Beta** is a measure of the relative volatility of a security or portfolio to the market's upward or downward movements. **Standard deviation** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value. **Upside/downside market capture** measures annualized performance in up/down markets relative to the market benchmark.

³ Class I shares as of March 31, 2021. Based on Risk Adjusted returns. **MSIF Growth Portfolio:** Out of 1186 Funds. Class I Shares Fund ratings out of 5 stars: 3 Yrs. 5 Stars; 5 Yrs. 5 Stars; 10 Yrs. 5 Stars. **MSIF Advantage Portfolio:** Out of 1186 Funds. Class I Shares Fund ratings out of 5 Stars: 3 Yrs. 5 Stars; 5 Yrs. 5 Stars; 10 Yrs. 5 Stars.

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 shares. Performance for other share classes will vary.

Morningstar: Rankings and ratings as of March 31, 2021. **Rankings:** The percentile rankings are based on the average annual total returns for the periods stated and do not include any sales charges, but do include reinvestment of dividends and capital gains and Rule 12b-1 fees. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. **Ratings:** The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account sales loads.

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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 indexes are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an index.

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 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 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. 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. **Illiquid securities** may be more difficult to sell and value than public traded securities (liquidity risk).

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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, download one at morganstanley.com/im or call 1-800-548-7786. Please read the prospectus carefully before investing. Morgan Stanley Investment Management is the asset management division of Morgan Stanley.

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