

## Morgan Stanley Investment Funds US Growth Fund



### Performance Review

In the one month period ending 30 November 2024, the Fund's I shares returned 22.42% (net of fees)<sup>1</sup>, while the benchmark returned 6.46%.

Year-to-date (YTD), the Fund returned 45.42% (net of fees), outperforming the benchmark return of 31.95%.

Top contributors YTD include:

- Enterprise analytics platform and Bitcoin developing company, MicroStrategy
- Used cars ecommerce platform, Carvana
- Food delivery company, DoorDash
- Digital advertising software platform, The Trade Desk
- Electric vehicle developer, Tesla

Top detractors YTD include:

- Health care services provider, Agilon Health
- Cloud data platform, Snowflake
- Life sciences tools and technology platform, 10X Genomics
- General purpose database platform, MongoDB
- Go-to-market intelligence platform, ZoomInfo Technologies

### Market Review

Large-cap growth equities, as measured by Russell 1000 Growth Index, advanced year-to-date. Utilities, Energy and Communication Services led benchmark gains, while Real Estate, Health Care and Consumer Staples underperformed the benchmark.

### Portfolio Review

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.

YTD Fund outperformance has been driven by favorable stock selection in Consumer Discretionary, Information Technology and Financials. Conversely, stock selection in Health Care and Materials, as well as a sector underweight in Information Technology, detracted from 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 20% versus 17% for the benchmark<sup>2</sup> and 96% of the portfolio is expected to be free cash flow positive or neutral in 2024 (estimated).<sup>3</sup> We have confidence that our companies are making the right investments to maximize the long-term endgame potential of their businesses.

### 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

<sup>1</sup> Source: Morgan Stanley Investment Management Limited. Data as of 30 November 2024.

<sup>2</sup> Based on FactSet Consensus Estimates and underlying holdings. Three-Year Forward Weighted Average Revenue Growth is the increase in net sales for the next three years. Data as of 30/11/24.

<sup>3</sup> Based on 2024 FactSet Consensus Estimates and underlying holdings. Neutral Free Cash Flow is defined as FCFE margin  $\geq -5\%$  and  $\leq 0\%$ . Data as of 30/09/24.

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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	45.42	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	31.95	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](http://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 November 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](http://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® Index** is an index that measures the performance of the 1,000 largest companies in the Russell 3000 Index.

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.

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