

High Conviction U.S. Equity Investing

FUND FLYER | SEPTEMBER 2024

“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 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

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

LONG TERM OWNERSHIP MINDSET

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

UNIQUE PERSPECTIVE

Counterpoint Global 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. Sustainability research focuses on corporate approach, commitment, and impact on enterprise value creation. Consilient researchers draw on ideas from different disciplines in order to generate novel insights, deepen analysis, and sharpen decision-making.

Top holdings

As of September 30, 2024

	Growth (%)	Advantage (%)
Doordash	8.45	9.16
Cloudflare	8.20	8.79
The Trade Desk	7.37	7.36
Tesla	7.33	7.64
Shopify	6.66	7.02
Affirm Holdings	6.35	–
MicroStrategy	5.25	4.44
Carvana	4.84	–
Roblox	4.73	5.21
Royalty Pharma	4.42	4.40
Intercontinental Exchange	–	4.57
Amazon.com	–	4.48
% OF PORTFOLIO IN TOP 10 HOLDINGS	63.60	63.07

Key distinctions

As of September 30, 2024

	Growth	Advantage
PROCESS DISTINCTIONS		
Types of companies	Established and emerging	Established
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	31	25
Overlap ²	73% (18 common holdings)	
Volatility ³	Moderate risk: • Beta of 1.37 • Std. dev of 35.38	Lower risk: • Beta of 1.31 • Std. dev of 32.51
Active share ³	96%	91%
Upside capture ³	81%	82%
Downside capture ³	166%	158%

Sector breakdown

As of September 30, 2024



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.

Long-term track records (As of September 30, 2024)

Growth Portfolio (MSEQX)

	MORNINGSTAR		ANNUALIZED RETURN			RELATIVE RETURN %
	PERCENTILE RANK	RANK/TOTAL IN CATEGORY	% (CLASS I)			
	(LARGE GROWTH CATEGORY)	FUND	INDEX	RELATIVE RETURN		
1 Year	56	662/1141	38.72	42.19	-3.47	
3 Year	100	1061/1076	-14.08	12.02	-26.10	
5 Year	97	969/1005	9.76	19.74	-9.98	
10 Year	81	647/788	12.14	16.52	-4.38	
SI (04/02/1991)	34	94/276	10.92	10.95	-0.03	

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 0.56% and 1.01%, respectively, and the net expense ratios are 0.56% 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, in effect as of the date of this material. For information on the applicable fund's current fees and expenses, please see the fund's current prospectus. The minimum initial investment is \$1,000,000 for Class I shares.

Advantage Portfolio (MPAIX)

	MORNINGSTAR		ANNUALIZED RETURN			RELATIVE RETURN %
	PERCENTILE RANK	RANK/TOTAL IN CATEGORY	% (CLASS I)			
	(LARGE GROWTH CATEGORY)	FUND	INDEX	RELATIVE RETURN		
1 Year	69	814/1141	36.20	42.19	-6.00	
3 Year	100	1056/1076	-11.51	12.02	-23.53	
5 Year	100	999/1005	5.07	19.74	-14.67	
10 Year	95	753/788	9.98	16.52	-6.54	
SI (06/30/2008)	84	732/840	10.46	14.09	-3.64	

¹ The view and opinions are those of the portfolio manager as of September 30, 2024 and are subject to change at any time due to market or economic conditions and may not necessarily come to pass.

² Method for calculating overlap percentage: For each common holding, the smaller percentage allocation among the portfolios is considered overlap. These percentages of each holding overall are then summed to arrive at the total overlap between portfolios.

³ **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.

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: As of September 30, 2024. **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.

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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. 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 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). There is no assurance strategies that incorporate **ESG factors** will result in more favorable investment performance. **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.

This material is a general communication, which is not impartial and all information provided has been prepared solely for informational and educational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The information herein has not been based on a consideration of any individual investor circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

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 material), 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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