

A Sub-Fund of Morgan Stanley Investment Funds

US Growth Fund



Important Information

- The Fund invests primarily in growth oriented equity securities of large capitalisation companies domiciled or exercising the predominant part of their economic activity in the US.
- Investment involves risks. Key risks for this fund include Risk of Investment in Equity, Derivatives Risk and Risk of Exposure to the Euro and Eurozone.
- There is a risk that you may potentially lose your entire investment in this Fund.
- The investment decision is yours but you should not invest unless the intermediary who sells it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives. You should not make any investment decision solely based on this document. Please read the relevant offering document carefully for further fund details including risk factors.

Performance Review

In the one month period up until 30 September 2025, the Fund's A shares returned 5.50% (net of fees)¹, while the benchmark returned 5.30%.

For the quarter ending September 30, 2025, the Fund I class shares returned 11.57% (net of fees) and the Russell 1000 Growth 30% WH Tax returned 10.47%.

The portfolio outperformed the Russell 1000 Growth Index this quarter due to favorable stock selection.

Top contributors QTD include:

- Advertising technology company, AppLovin Corp.
- Videogame platform, Roblox Corp.
- Quantum computing company, IonQ Inc.
- Electric vehicle developer, Tesla Inc.
- Commerce solutions platform, Shopify Inc.

Top detractors QTD include:

- Enterprise analytics platform and Bitcoin development company, Strategy Inc.
- Next generation cybersecurity platform, CrowdStrike Holdings Inc.
- Ecommerce and fintech services platform, MercadoLibre Inc.
- Building products distribution company, QXO Inc.
- Digital advertising software platform, The Trade Desk Inc.

Market Review

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

While tariffs remained a source of uncertainty and overall market volatility, the quarter saw a shift toward a more dovish Fed stance, with expectations for additional rate cuts broadening through year-end. AI optimism continued to drive market leadership, as enthusiasm for the technology's potential supported strength across several industries. Amid heightened market enthusiasm, a growing sense of caution has surfaced around monetization challenges, uncertain productivity outcomes, and intensifying competition. Against this backdrop, our investment approach remains unchanged. We continue to invest in high quality businesses that have sustainable competitive advantages and strong secular growth potential, and that operate in large and growing end markets where the penetration rate for their goods/services can be much higher over time. Companies we own tend to be asset light, have little financial leverage, strong pricing power, attractive unit economics, high margins, solid cash generation capability and the ability to succeed through different market/macro environments. While we have opportunistically added to some positions and initiated new ones, overall, we have made few changes as we remain confident in the long-term prospects for the businesses we own. We will continue to carefully consider and monitor fundamental variables, while managing overall portfolio risk and exposures.

Portfolio Review

QTD outperformance has been primarily driven by favorable stock selection in Financials, Consumer Discretionary and Communication Services.

¹ Source: Morgan Stanley Investment Management Limited. Data as of 30 September 2025.

AppLovin, which is an advertising technology platform primarily focused on mobile gaming advertising and ecommerce advertising, was the top contributor. Its software solutions provide tools for developers to automate and optimize the advertising and monetization of their apps. We believe the company benefits from efficient scale and intellectual property related competitive advantages, and can be a beneficiary of the continued secular growth in mobile applications and ecommerce. Its shares advanced this quarter on strong results that beat consensus estimates, and a healthy outlook reiterating expectations for strong margins and ad revenue growth. Investor enthusiasm and sentiment remained very positive for AI and data-driven advertising companies more generally as well.

Gaming platform Roblox was also a large contributor. Following a large investment period post covid, the company's recent growth has been resilient and efficient, with free cash flow generation outpacing revenue growth and providing the company with the opportunity to create the YouTube of gaming— a multi sided, social community platform of content creation and consumption. The company's user growth inflected even higher this quarter, reaching forty-five million concurrent users at peak. Roblox's next leg of revenue growth will be driven by advertising, but also expansion from its core mobile distribution channel and into the PC and console channels, where the company has historically been mostly absent, despite those two channels accounting for fifty percent of the total addressable market (TAM). Overall, we remain confident in the company's ability to continue to grow and monetize its ecosystem.

Contributor Shopify is a software and services company that provides merchants with world-class commerce tools, enabling them to sell directly to consumers and manage their businesses across all sales channels. The company outperformed on continued strong execution and improving macro sentiment, reporting broad-based strength across geographies and product lines. Results and outlook were ahead of expectations, while the company maintained expense discipline. Despite ongoing tariff concerns, Shopify's merchants remained resilient, and sentiment improved further following new partnership announcements across several initiatives, including stablecoins and agentic commerce.

Conversely, stock selection in Industrials, an average sector overweight position in Financials and an average sector underweight position in Information Technology detracted most from relative performance.

Strategy, formerly known as MicroStrategy, is a business intelligence and data analytics software provider and bitcoin development company. The company has been using the cash generated from its software business, along with capital market activities, such as raising both convertible debt and equity – to purchase bitcoin. The company now holds over six hundred thousand bitcoin on its balance sheet, which is three percent of the total supply, and is the largest publicly traded corporate holder of bitcoin in the world. After several quarters of very strong stock appreciation, its shares pulled back this quarter. We attribute the underperformance to broader volatility in bitcoin prices and in the premium at which the company's shares trade relative to its underlying holdings.

MercadoLibre, a leading ecommerce and payments platform in Latin America, also detracted. We attribute the weakness largely to perceived volatility in Argentina and in competitive efforts from low price focused, APAC based cross border players in Brazil – notably Shopee. The company reported solid revenue growth but somewhat weaker profit growth due to strategic investments the company is making in logistics, marketing campaigns, and free shipping. We believe these are the right long-term investments for the business to be making despite short-term margin pressures as the opportunity for MELI continues to be robust across LATAM.

Detractor Trade Desk, which sells a software suite enabling digital marketers to better manage their advertising spend across channels, underperformed. Its shares remained pressured this year due to slower growth and ongoing execution challenges related to the rollout of its new buying platform, Kokai. The company also experienced leadership turnover, including the departure of its CFO and Chief Commercial Officer, which contributed to investor concerns. While the long-term opportunity in connected TV and retail media remains compelling, we are closely monitoring management's execution in the coming quarters.

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

Calendar Year Returns (%)

Past performance is not a reliable indicator of future results.

	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Class A Shares	28.63	40.10	48.19	-60.59	1.12	115.52	21.40	4.78	43.06	-3.14	10.53
Russell 1000 Growth Net 30% Withholding Tax TR Index	17.08	33.09	42.30	-29.34	27.32	38.08	35.88	-1.89	29.67	6.56	5.19

Investment involves risks. All performance data is calculated NAV to NAV, net of fees, and assume the reinvestment of all dividends and income. The sources for all performance and index data is Morgan Stanley Investment Management ('MSIM Ltd'). Please refer to the relevant offering documents for fund details, including risk factors.

Applications for shares in the Sub-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 language of countries authorized for fund distribution and is available online at [Morgan Stanley Investment Funds Webpages](#) or free of charge from the Registered Office at European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192.

The summary of investor rights is available in the aforementioned languages and website location under the General Literature section.

Information in relation to sustainability aspects of the Fund is available in English online at: [Sustainable Finance Disclosure Regulation](#).

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 UCITS rules.

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

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