

A Sub-Fund of Morgan Stanley Investment Funds Global Opportunity Fund

GLOBAL OPPORTUNITY

Performance Review

In Q4 the one month period ending 31 December 2024, the Fund's A shares returned -2.41% (net of fees)¹, while the benchmark returned -2.37%.

Year-to-date (YTD), the Fund's A shares returned 4.26% and the benchmark returned 2.73%.

The Global Opportunity team creates a high conviction, concentrated portfolio of undervalued, high quality businesses. The long-term investment horizon and high active share approach can result in periods of performance deviation from the benchmark. The Fund outperformed the MSCI All Country World Index YTD due to favourable stock selection.

Market Review

Global equities advanced YTD, led by outperformance in the financials, health care and consumer staples sectors. The information technology, consumer discretionary and utilities sectors underperformed the benchmark.

Portfolio Review

Q4 Fund outperformance YTD was driven by stock selection in consumer discretionary and communication services, and a sector underweight allocation to information technology. Conversely, stock selection in financials, an overweight allocation to consumer discretionary, and an underweight allocation to health care detracted from relative performance.

Top contributors included:

- Swedish audio streaming platform Spotify Technology SA
- Global mobility platform Uber Technologies
- Latin American ecommerce platform MercadoLibre
- Food delivery platform DoorDash
- Social network Meta Platforms

Top detractors included:

- Cloud software platform ServiceNow
- Financial technology company Block, Inc.
- Chinese online travel agent Trip.com
- Danish freight forwarder DSV A/S
- Indian private sector bank ICICI Bank Ltd.

Portfolio Review Q4

Q4 Market volatility increased in reaction to announced changes to U.S. trade policy and the potential for tariffs. We would note that tariffs are likely a negotiating tactic to ultimately achieve reciprocal trade agreements, and as such the high numbers discussed recently are likely temporary. It should also be noted that tariffs are not necessarily inflationary, although they do increase the price level of goods and services. Post the price level increase, there are likely areas of demand reduction that would reduce the rate of future inflation. This doesn't do much for companies or people impacted in the near term by the tariffs, but it could put a dent in the resilient inflation that has remained since the pandemic-induced supply chain shock.

In any case, given the relative bargaining power of the U.S. compared to individual countries, due to the U.S.'s large gross domestic product (GDP) that is primarily based on domestic consumption, we see the U.S. likely succeeding in achieving improved terms on various priorities of the current administration. It should be noted that this doesn't help the U.S. relationships with other countries in the long term. But because of the asymmetries in leverage, we expect the trade disputes to not be prolonged, except in the potentially notable case of China, where relations are complicated by more than just trade.

We continue to focus on bottom-up stock selection and own a portfolio of companies that we believe are generally less impacted by changes in the macroeconomic and geopolitical environment. We believe that our preference for more predictable services business models helps mitigate downside in the portfolio and navigate market uncertainty. Services businesses are less likely to be subject to tariffs or impacted by trade policy, in our view. The companies we own that do produce goods sold globally have strong brands and pricing power, and can therefore pass on costs associated with new tariffs. We also do not typically own capital-intensive businesses like autos, energy or mining that export products that may be subject to tariffs.

Ultimately, our expectation is that tariffs are unlikely to impact the terminal value of the businesses we own in a material way, and

¹ Source: Morgan Stanley Investment Management Limited. Data as of 31 December 2024.

we continue to have high conviction in our portfolio holdings and their ability to outperform in the long term.

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

Fund Facts

Launch date	30 November 2010
Base currency	U.S. dollars
Benchmark	MSCI All Country World Net Index

Investment Performance (% of net fees (ex EC)) in USD[†]

	Cumulative (%)				Annualised (% p.a.)			
	1 M	3 M	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class A	-2.41	4.17	26.03	26.03	2.90	10.89	13.88	13.28
Benchmark	-2.37	-0.99	17.49	17.49	5.44	10.06	9.23	9.46

12 Month Performance Periods To Latest Month End (%)

	DEC'23 -DEC'24	DEC'22 -DEC'23	DEC'21 -DEC'22	DEC'20 -DEC'21	DEC'19 -DEC'20	DEC'18 -DEC'19	DEC'17 -DEC'18	DEC'16 -DEC'17	DEC'15 -DEC'16	DEC'14 -DEC'15
Class A (ex EC)	26.03	50.26	-42.46	-0.06	54.01	34.82	-7.36	48.44	-0.56	18.62
Class A (in EC)	--	--	--	--	--	--	--	--	--	11.76
Benchmark	17.49	22.20	-18.36	18.54	16.25	26.60	-9.41	23.97	7.86	-2.36

All performance data is calculated NAV to NAV. The sources for all performance and index data is Morgan Stanley Investment Management ('MSIM Ltd').

% Net of fees figure shown assumes reinvestment of all distributions and deduction of fund level costs (which include: the deduction of the Management, trustee/custodian and administration charges) plus the deduction of the maximum entry charge applicable at investor level that may be taken out of your subscription money before it is invested.

Please see the Fund's current prospectus and the share class' Key Investor Information Document for complete details on fees and sales charges.

[†]Example: If, an investor wishes to purchase USD 100 worth of shares, the maximum entry charge of 5.75% would be applied. Therefore, the investor has to expend USD 106.10 in total at subscription to obtain USD 100 worth of shares.

Excluding Entry Charge ('ex EC') figure shown assumes reinvestment of all distributions and deduction of fund level costs, but does not reflect the deduction of any entry charge applicable at investor level.

Including Entry Charge ('in EC') figure assumes reinvestment of all distributions and deduction of fund level costs, plus the deduction of any entry charge applicable at investor level.

Share Class A 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.
- Investments in China involves a risk of a total loss due to factors such as government action or inaction, market volatility and reliance on primary trading partners.
- 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, available at www.morganstanleyinvestmentfunds.com. All data as of 31.12.2024 and subject to change daily.

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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The use of leverage increases risks, such that a relatively small movement in the value of an investment may result in a disproportionately large movement, unfavourable as well as favourable, in the value of that investment and, in turn, the value of the Fund.

Investment in the Fund concerns the acquisition of units or shares in a fund, and not in a given underlying asset such as building or shares of a company, as these are only the underlying assets owned.

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Charts and graphs provided herein are for illustrative purposes only and subject to change.

The **Chicago Board Options Exchange (CBOE) Market Volatility (VIX) Index** shows the market's expectation of 30-day volatility.

The **Standard & Poor's 500® Index (S&P 500®)** measures the performance of the large cap segment of the U.S. equities market, covering approximately 80% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy.

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have been and will not be registered in Peru under **Decreto Legislativo 862** and under **Decreto Legislativo 861** referenced above, nor they will be subject to a public offering directed to institutional investors under the **Reglamento 1**, and will be offered to institutional investors only (as defined in article 8 of the Securities Market Law) pursuant to a private placement, according to article 5 of the Securities Market Law, the interests in the Fund will not be registered in the Securities Market Public Registry maintained by the **SMV**, and the offering of the

Fund interests in Peru to institutional investors nor the Fund will be subject to the supervision of the SMV, and any transfers of the Fund interests shall be subject to the limitations contained in the Securities Market Law and the regulations issued thereunder mentioned before, under which the Fund interests may only be transferred between institutional investors.