

A Sub-Fund of Morgan Stanley Investment Funds
Global Core Equity Fund

APPLIED EQUITY ADVISORS TEAM

Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this UCITS presents disproportionate communication on the consideration of extra-financial criteria in its management.

Performance Review

In the three month period ending 31 December 2024, the Fund's Z shares returned 2.28% (net of fees)¹, while the benchmark returned -0.16%.

As a core portfolio, Global Core attempts to tilt toward the style of stock exposure (growth, value, defensive) that offers the best opportunity within the context of a typically 40- to 60-stock portfolio. With a limited number of stocks, diversification² among positions is a critical component of risk control.

Following are the most significant performance drivers relative to the MSCI World Index benchmark for the fourth quarter of 2024:

1. Stock Selection:

- a. Amazon returned +18% in the quarter, adding +0.8%.
- b. NVIDIA returned +11% in the quarter, adding +0.8%.
- c. JPMorgan returned +14% in the quarter, adding +0.7%.
- d. Ameriprise Financial returned +14% in the quarter, adding +0.6%.
- e. Alphabet returned +14% in the quarter, adding +0.6%.
- f. Ferrari returned -10% in the quarter, detracting -0.6%.
- g. Not owning Tesla, which returned 54% in the quarter, detracted -0.6%.

2. Geographic Exposures:

- a. Geographic allocations did not have a material impact for the quarter.

3. Style exposures:

- a. An underweight to the lowest beta stocks in the U.S. added +0.7%.
- b. An underweight in high beta stocks in Europe added +0.5%.
- c. An overweight to high quality stocks in Europe cost -1.0%.
- d. An overweight to high quality stocks in Asia ex Japan detracted -0.9%.

4. Sector exposures:

- a. An overweight to U.S. financials added +0.7%.
- b. An underweight to U.S. health care added +0.7%.
- c. An overweight to consumer discretionary in Europe detracted -0.5%.

Past performance is no guarantee of future results. The attribution is presented gross of fees. Had these fees and expenses been deducted, returns would be lower. See the next page for performance.

Strategy and Outlook

1. With far more investors feeling optimistic about 2025 than the past two years, the bullish side of the boat is becoming more crowded. That makes us uncomfortable, yet we think it's too early for investors to become cautious.
2. A lower return year with more volatility would be the norm after two such strong years as 2023 and 2024.
3. We think there is a chance, however, that we are in the early stages of another multi-year productivity boom like that of the late 1990s.
4. Don't underestimate the mega-cap technology stocks. We think they, in addition to financials, could potentially lead again in 2025.
5. We like specific equity ideas outside the U.S., but it's difficult to predict a non-U.S. region that will likely outperform the U.S., especially if the dollar outperforms.
6. Valuation analysis is flawed if earnings forecasts are not accurate. The blanket assumption that earnings forecasts are correct is one of the biggest errors investors make.

How our portfolios are positioned:

1. We continue to like a balance between growth and value stocks.

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

² Diversification neither assures a profit nor guarantees against loss in a declining market.

Past performance is no guarantee of future results. The market returns referred to in the commentary are those of representative indices and are not meant to depict the performance of a specific investment.

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

Fund Facts

Launch date	12 July 2016
Base currency	U.S. dollars
Benchmark	MSCI World Net 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 Z Shares	24.78	24.78	19.01	-19.56	18.25	21.65	31.00	-16.36	22.27	--	--
MSCI World Net Index	18.67	18.67	23.79	-18.14	21.82	15.90	27.67	-8.71	22.40	--	--

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 shares. The sources for all performance and index data is Morgan Stanley Investment Management ('MSIM Ltd'). **Please visit our website www.morganstanley.com/im to see the latest performance returns for the fund's other share classes.**

Share Class Z 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 fund's ability to buy or sell securities.
 - 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 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. Luxemburg 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.

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The **MSCI World Net Index** is a free float adjusted market capitalization weighted index that is designed to measure the global equity market performance of developed markets. The term "free float" represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The performance of the Index is listed in U.S. dollars and assumes reinvestment of net dividends.

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