

Opportunities in High Yield Bonds

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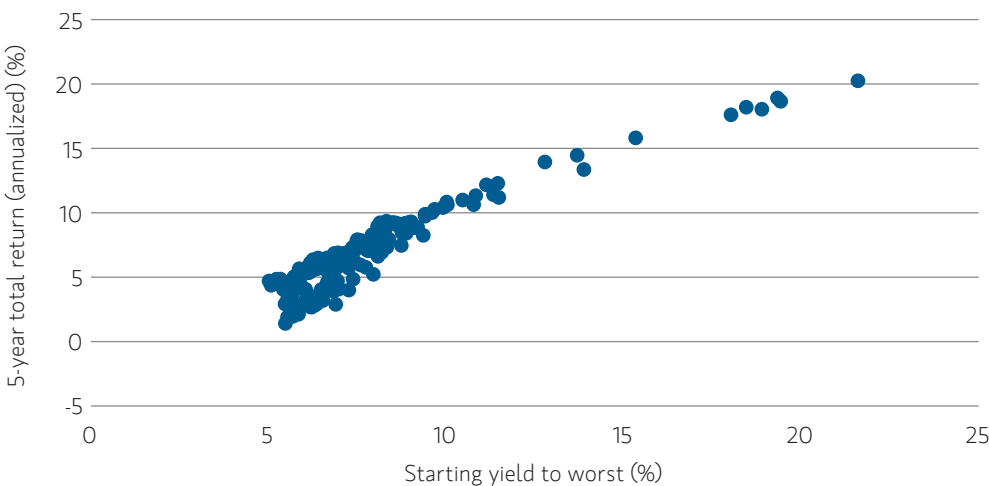
With yields in high yield markets at around 7.5% (U.S.) and nearly 6% (Europe), the asset class remains an important source of income and value for income-oriented investors.¹ Historically, higher starting yields have been a good indicator of potential future total returns. With a shift in global monetary policy expectations towards fewer interest rate cuts in the U.S. and Europe, the opportunity for investors to capture these opportunities looks persistent.

Higher Yields have historically positively correlated to long-term returns

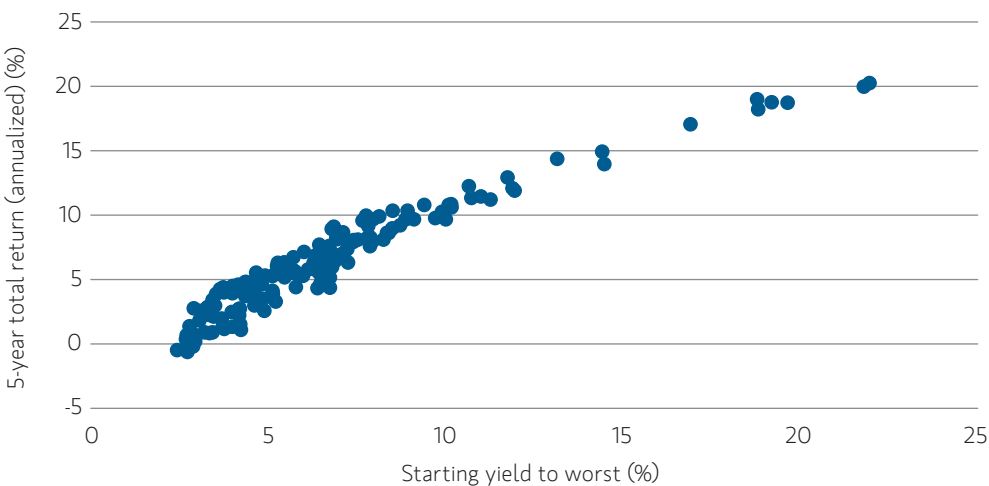
U.S. and European High Yield: Yields versus 5-year forward returns

Past performance is not a reliable indicator of future results.

U.S. High Yield



European High Yield



Source: Bloomberg, MSIM, ICE Indices. Note: Yields are in local currency as of 31/12/2024. US High Yield = ICE BofA US High Yield Index (HOAO). European High Yield = ICE BofA European Ccy Developed Mkts High Yield excl Sub-Financials Constrained Index (HPSD). Based on 20 years of historic data. This index performance is provided for illustrative purposes only and is not meant to depict the performance of a specific investment.

¹ As of 31/12/2024

Experienced high yield management

- We are a pioneer in high yield management, investing in high yield markets for over 40 years.
- Morgan Stanley Investment Management is also one of the largest lenders in leveraged credit, with over \$25 billion (USD) in dedicated high yield assets and \$50 billion (USD) in combined high yield and loan AUM, as of 31/12/2024.
- Over 35 dedicated investment professionals.

Our high yield strategies include core and specialized strategies across the risk/return spectrum to help investors access the asset class with a product to meet their specific income goals and risk tolerance.

Class Z Shares - Performance as of 31/12/2024 (%)

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. Past performance is not a reliable indicator of future results.

	ISIN	INCEPTION DATE	BASE CURRENCY	MORNINGSTAR RATING (OVERALL)	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION
CORE HIGH YIELD STRATEGIES										
MS INVF US High Yield Bond (Class Z)²	LU2536248920	14/3/14	USD	4	7.31	7.31	2.30	3.46	4.51	4.26
ICE BofA U.S. High Yield Index					8.20	8.20	2.91	4.04	5.08	4.71
Morningstar Ranking					36	36	46	39	24	20
MS INVF Global High Yield Bond (Class Z)³	LU2534984393	27/4/17	USD	4	8.08	8.08	3.54	4.09	–	4.79
ICE BofA Developed Markets High Yield Excluding Subordinated Financial Index USD-Hedged					8.59	8.59	3.37	4.15	–	4.72
Morningstar Ranking					33	33	17	17	–	10
MS INVF European High Yield Bond (Class Z)	LU0360481153	9/7/08	Euro	4	8.36	8.36	2.67	2.73	3.65	6.31
Blended Benchmark					8.56	8.56	2.42	2.67	3.73	6.16
Morningstar Ranking					26	26	30	27	17	8
SPECIALIZED HIGH YIELD STRATEGIES										
MS INVF US High Yield Middle Market Bond (Class Z)	LU1134228409	2/12/14	USD	3	8.83	8.83	2.78	3.77	5.43	5.35
Bloomberg US Corporate High Yield Index					8.19	8.19	2.92	4.21	5.17	5.07
Morningstar Ranking					9	9	32	27	4	5
MS INVF US Dollar Short Duration High Yield Bond (Class Z)	LU1134226700	4/12/14	USD	5	9.49	9.49	3.45	4.15	5.16	5.13
Bloomberg US High Yield 1-5 Year Cash Pay 2% Issuer Capped Index					8.64	8.64	4.68	4.92	5.08	4.97
Morningstar Ranking					4	4	16	14	9	8
MS INVF Calvert Global High Yield Bond (Class Z)	LU2714435877	28/11/23	USD	–	8.23	8.23	–	–	–	11.50
ICE BofA Developed Markets High Yield Excluding Subordinated Financial Index USD-Hedged					8.59	8.59	–	–	–	11.88
Morningstar Ranking					30	30	–	–	–	30

Source: Morgan Stanley Investment Management. Performance of other share classes will vary. Returns may increase or decrease as a result of currency fluctuations. All performance data is calculated in USD terms, NAV to NAV, net of fees, and does not take account of commissions and costs incurred on the issue and redemption of units.

Morningstar 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. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100.

Calendar Year Performance (%)

Class Z Shares

Past performance is not a reliable indicator of future results.

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
MS INVF US High Yield Bond (Class Z)	7.31	11.85	-10.81	5.70	4.76	13.94	-2.43	6.06	13.32	-1.88
MS INVF Global High Yield Bond (Class Z)	8.08	12.96	-9.07	5.39	4.44	14.45	-1.63	–	–	–
MS INVF European High Yield Bond (Class Z)	8.36	12.17	-10.97	3.41	2.22	10.54	-4.46	6.36	9.84	1.38
MS INVF US High Yield Middle Market Bond (Class Z)	8.83	13.34	-11.97	5.30	5.24	15.60	-2.53	8.15	16.30	-0.52
MS INVF US Dollar Short Duration High Yield Bond (Class Z)	9.49	11.04	-8.96	6.10	4.35	10.65	1.06	7.24	13.27	-0.68
MS INVF Calvert Global High Yield Bond (Class Z)	8.23	–	–	–	–	–	–	–	–	–

Source: Morgan Stanley Investment Management. Performance of other share classes will vary. Returns may increase or decrease as a result of currency fluctuations. All performance data is calculated in USD terms, NAV to NAV, net of fees, and does not take account of commissions and costs incurred on the issue and redemption of units.

Risk Considerations

The value of bonds are likely to decrease if interest rates rise and vice versa. The value of financial derivative instruments are highly sensitive and may result in losses in excess of the amount invested by the Sub-Fund. Issuers may not be able to repay their debts, if this happens the value of your investment will decrease. This risk is higher where the fund invests in a bond with a lower credit rating. 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 Fixed Income Securities via the China Interbank Bond Market may also entail additional risks, such as counterparty and liquidity risk. 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.

Global High Yield/European High Yield: The Funds may be impacted by movements in the exchange rates between the fund's currency and the currencies of the Fund's investments.

¹ As of 30/9/2024

² Prior to 2/12/2022, the MS INVF Sustainable US High Yield Bond Fund was known as the Eaton Vance International (Ireland) Sustainable U.S. High Yield Bond Fund and has therefore adopted the performance history of the legacy fund. Effective 31/8/2023, the MS INVF Sustainable US High Yield Bond Fund was renamed the MS INVF US High Yield Bond Fund, the investment policy was amended by removing the Fund's positive inclusion criteria, which had become effective on 1/4/2022, and the Fund's restriction screening policy was made modestly less onerous. Therefore, the Fund's performance between 1/4/2022 and 30/8/2023 was achieved under different circumstances. See prospectus supplement for details.

³ Effective 20 October 2023, the Sustainable Global High Yield Bond Fund was renamed the Global High Yield Bond Fund. The investment policy was amended, amongst other changes, by removing the Fund's positive inclusion criteria and the Fund's restriction screening policy was made modestly less onerous. Therefore, the Fund's performance between 1 April 2022 and 19 October 2023 was achieved under different circumstances. Past performance is based on the performance of Eaton Vance International (Ireland) Sustainable Global High Yield Bond Fund that was absorbed into this Fund on 18 November 2022.

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 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 DEFINITIONS

ICE BofA U.S. High Yield Index is an unmanaged index of below-investment grade U.S. corporate bonds.

ICE BofA Developed Markets High Yield Excluding Subordinated Financial Index USD-Hedged is an unmanaged index of global developed market below investment grade corporate bonds. The **ICE BofA Developed Markets High Yield Excluding Subordinated Financial Index USD-Hedged** is an unmanaged

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MIDDLE EAST

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