

Morgan Stanley Investment Funds

Global Opportunity Fund

GLOBAL OPPORTUNITY

Important Information

- The Fund primarily invests in high quality growing companies on a global basis.
- Investment involves risks. Key risks for this fund include Risk of Investment in Equity, Exchange Rate Risk, Emerging Market Risk, 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 ending 31 August 2024, the Fund's A shares returned 6.32% (net of fees)¹, while the benchmark returned 2.54%.

Year-to-date (YTD), the Fund returned 13.98% and the benchmark returned 15.97%.

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 underperformed the MSCI All Country ("AC") World Index YTD due to unfavourable sector allocation despite favourable stock selection.

Market Review

Global equities advanced YTD, led by outperformance in information technology, communication services and financials. The materials, consumer discretionary and real estate sectors underperformed the benchmark.

Portfolio Review

Fund underperformance YTD was driven by stock selection in information technology and financials and a sector overweight allocation to consumer discretionary. Stock selection in consumer discretionary and communication services and an underweight allocation to materials contributed positively to relative performance.

Top detractors YTD included:

- Indian private sector bank HDFC Bank Ltd.
- payment platform Block Inc.
- creative software developer Adobe
- Korean search leader Naver Corp.
- Canadian ecommerce solution Shopify

Top contributors YTD included:

- Swedish audio streaming platform Spotify Technology SA
- mobility platform Uber Technologies
- social network Meta Platforms
- cloud software platform ServiceNow
- Latin American ecommerce platform MercadoLibre

Strategy and Outlook

Recent market volatility reminds us that long-term investing in equities requires a focus on what we do control, which is temperament, conviction and an investment philosophy grounded in company fundamentals to capture long-term upside opportunity. It is important to remember that, since 1999, following a 5% decline in global equities (based on the MSCI ACWI Index), subsequent median returns have been 13% over the next 12 months with positive returns two-thirds of the time!²

Our strategies hold companies with strong and improving fundamentals with nearly all expected to be free cash flow positive in 2025 (estimated) with revenues expected to grow faster than the benchmark over the next three years, based on FactSet consensus estimates. We seek companies with strong balance sheets with net cash to equity, as compared to net debt to equity for the

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

² Source: FactSet, Morgan Stanley Investment Management. Data as of 31 July 2024. Median returns since 1999.

average global company. Notwithstanding broader market movements, we seek to own companies that we believe can outperform over the course of a cycle, with diverse business drivers not tied to any particular market environment.

We remain focused on evaluating company prospects over a 5- to 10-year time horizon and have high conviction in the names we own. When we look at our current portfolios, we see some of the most attractive valuations from a free cash flow perspective since the inception of the strategies and continue to find high quality companies around the world trading at deep discounts to their intrinsic value.

Read our analysis "Focus on time in the market, not timing the market" available at

<https://www.morganstanley.com/im/en-gb/institutional-investor/insights/series/eatonvance-insights.html?post=focus-on-time-in-the-market-not-timing-the-market>

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

Calendar Year Returns (%)

Past performance is not a reliable indicator of future results.

	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class A Shares	13.98	50.26	-42.46	-0.06	54.01	34.82	-7.36	48.44	-0.56	18.62	7.40
MSCI All Country World Net Index	15.97	22.20	-18.36	18.54	16.25	26.60	-9.41	23.97	7.86	-2.36	4.16

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. Please refer to the relevant offering documents for fund details, including risk factors.

INDEX INFORMATION

The **MSCI All Country World Net Index (ACWI)** is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging 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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Investors should be aware that a diversified strategy does not protect against a loss in a particular market.

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