

A Sub-Fund of Morgan Stanley Investment Funds

Calvert Global Equity Fund



Performance Review

In the three month period ending 31 December 2024, the Fund's Z shares returned -2.12% (net of fees)¹, while the benchmark returned -0.99%.

The main detractors from the Fund's performance relative to the benchmark were stock selection within the technology and consumer staples sectors, an overweight allocation to European equity, and an underweight to U.S. equity.

- An underweight to Tesla was the largest individual stock detractor over the quarter. The company reported stronger third quarter earnings supported by better-than-expected vehicle deliveries. Tesla shares were also boosted considerably by positive political sentiment following the U.S. election.
- Nestle, the Swiss consumer staples company, detracted from the Fund's performance. The company reported weaker-than-expected revenues for the third quarter and year-to-date due to softening consumer demand across regions, leading it to lower full-year earnings guidance.
- AIA, the Hong Kong-based life insurance company, hampered performance as it traded in sympathy with the broader Hong Kong and Chinese markets, despite reporting higher new business growth in the third quarter.
- IMCD, the Dutch industrial company that distributes, markets and sells specialty chemicals and ingredients around the world, detracted due to poor sentiment toward the European economy. The company also issued equity to fund future acquisitions.
- Novo Nordisk, the Danish global health care company, detracted from performance over the quarter due to news that the clinical results for its latest weight loss drug in development fell short of consensus expectations.

Positive contributions to performance came from the Fund's overall sector allocations, particularly having no exposure to the materials, real estate, and energy sectors. Stock selection within the communication services, industrials, and health care sectors also contributed.

- Visa, the U.S.-based financial services company, was the top stock contributor to performance. The company reported strong financial results driven by payments and cross-border volume growth. Visa also announced the potential for it to use artificial intelligence (AI) to enhance fraud solutions.
- Amazon, the U.S. technology and consumer discretionary company, contributed as it benefited from strong earnings backed by an acceleration in demand for Amazon Web Services. Amazon also announced the launch of its new generative AI model Nova, which includes video and image generation, and updates on the availability of its AI computing chips, Trainium.
- Alphabet (Google) was supportive of performance after it reported strength in advertising services for Google Search and YouTube and growth in Google Cloud in strong third quarter results. The launch of AI overviews in Search are seen as key growth drivers, as the company has faced increased competition and regulatory scrutiny.
- Walt Disney contributed to the Fund's performance for the quarter. The company's strong quarter was supported by its entertainment and experiences businesses. Disney has also seen continued strength in its direct-to-consumer offerings.
- Taiwan Semiconductor Manufacturing Company (TSMC) continues to benefit from AI demand tailwinds as it has built capacity for its more advanced technologies to support future AI growth.

Market Review

Global equity markets had another good year in 2024, boosted by strong returns from U.S. equity that resulted in a significant performance gap with non-U.S.-equity markets. During the fourth quarter, global equity markets modestly retraced some of their gains earlier in the year. The U.S. equity market was positive and volatile following November's U.S. election, and the Federal Reserve (Fed) delivered two 0.25% rate cuts at its November and December meetings. European equity markets were weak over the quarter as they suffered headwinds from President-elect Trump's potential trade policies and a surge in fund flows from Europe to the U.S. With a weaker economic outlook, the European Central Bank remained focused on interest rate cuts to support growth in the economy, delivering two cuts during the quarter. Japanese equities were positive in local terms but fell as the U.S. dollar strengthened over the quarter. Emerging markets were also negative for the quarter, as they were affected by the strengthening dollar and trade policy ramifications.

Portfolio Activity

During the quarter we initiated a new position in Charles Schwab, a U.S. financial services company. We also eliminated our position in Dollar Tree, a U.S.-based discount variety store.

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

Strategy and Outlook

We are optimistic on the outlook for global equities in 2025 but caution that the strong performance of equities since October 2023 means they are likely vulnerable to any disappointment. A combination of lower interest rates, inflation, and recovering leading indicators should allow corporate profitability to recover and provide a supportive backdrop for equities. With strong multiple (valuation) expansion in 2024, index returns will increasingly have to be driven by earnings growth. We expect earnings momentum to improve later in 2025.

As the U.S. moves to new leadership in January, we believe geopolitical news flow will once again dominate the headlines and the ripple effects will be felt throughout global equity markets. The new Trump administration's potential policies, such as tariffs and immigration crackdowns, are so far being interpreted as broadly inflationary. On top of this, robust U.S. employment data and a recent uptick in inflation suggest that further Fed rate cuts are no longer guaranteed. Indeed, the 10-year U.S. Treasury yield has increased over 80 basis points since the Fed started cutting last September.² Therefore, monetary policy may not provide the tailwind to U.S. equities in 2025 that many had hoped for last summer. We note that 10-year real interest rates are now at the highest level of the last 20 years.² Outside the U.S., an end to the Russia-Ukraine war appears to be more likely under Trump. This could help investment confidence in Europe, which has suffered since the conflict began in early 2022.

Since the U.S. election in November, we have seen a huge level of investor exuberance building toward U.S. equities. Several studies we follow show expectations for the U.S. equity market at 30+ year highs.² When aligned with valuation, which is also feeling excessive in parts of the U.S. market, we are increasingly worried that the market is becoming dislocated from the underlying fundamentals. This has driven our preference for European over U.S. equity in the Fund, with valuations and investor expectations more attractive in Europe. Our European holdings are typically global leaders with large exposure to the U.S. economy, but are much more attractively valued.

China has been a drag on global growth for some time, and we have seen the negative impact on important trading partners like Germany and Japan. In both consumer and industrial sectors, the weakness in China was a drag on earnings in 2024. Recently we have noted increasing signs that the Chinese government will take steps to try and stimulate growth and credit expansion in 2025, which will likely be supportive for international equities.

Many European economies remain weak, giving the European Central Bank greater flexibility to cut interest rates relative to the U.S., where many of President-elect Trump's economic plans are viewed as inflationary. Conversely, German elections and a government change could allow increased fiscal spending and help fuel some positive sentiment in what has been a very weak economy. Therefore, despite economic challenges, we see economic policy as likely supportive for European equities in 2025.

Moving to Japan, the outlook for the economy and equity market continues to be favorable. It is likely to be a tariff winner, with the U.S. versus Europe and China. Japan's outsized export exposure to China remains a risk in the short term. The policies that both the government and Tokyo Stock Exchange have been implementing should continue to improve corporate governance and balance sheet efficiency. The result should be ongoing positive momentum for returns on capital in Japan. Japanese households have 55% of assets in cash and just 12% in equities.³ The government's reforms within the savings regime, i.e., the introduction of a tax-free stock investment program for individuals, are showing signs of success in encouraging Japanese households to re-engage with equities and diversify their assets from cash and bonds.

Whatever the outlook for the global economy and equities in 2025, we can be sure that events will play out somewhat differently to how we all expect. One phrase we often cite at this time of year, and which captures our approach to investing, is "invest in preparedness and not in prediction."

We strive to build a balanced portfolio of sustainable businesses that will succeed irrespective of the outlook. For Calvert Global Equity Fund, our philosophy, framework and approach to bottom-up stock picking, with a focus on sustainable business models, remains unchanged.

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

Fund Facts

Launch date	28 November 2023
Base currency	U.S. dollars
Benchmark	MSCI AC World Net Index

² Source: Bloomberg L.P. Data as of 31 December 2024.

³ Source: Barclays. Data as of 31 December 2024.

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	10.00	10.00	--	--	--	--	--	--	--	--	--
MSCI AC World Net Index	17.49	17.49	--	--	--	--	--	--	--	--	--

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.
- 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.
- Sustainability factors can pose risks to investments, for example: impact asset values, increased operational costs.
- 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. 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.

IMPORTANT INFORMATION

The material has been prepared solely for informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. Investors should be aware that a diversified strategy does not protect against a loss in a particular market.

All investments involve risks, including the possible loss of principal. The material contained herein has not been based on a consideration of any individual client circumstances and is not investment advice, nor should it be construed in any way

as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

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.

Morgan Stanley Investment Management 'MSIM', the asset management division of Morgan Stanley (NYSE: MS), has not authorised financial intermediaries to use and to distribute this material, unless such use and distribution is made in accordance with applicable law and regulation. MSIM shall not be liable for, and accepts no liability for, the use or misuse of this material by any such financial intermediary.

The whole or any part of this material may not be directly or indirectly reproduced, copied, modified, used to create a derivative work, performed, displayed, published, posted, licensed, framed, distributed or transmitted or any of its contents disclosed to third parties without the Firm's express written consent. This material may not be linked to unless such hyperlink is for personal and non-commercial use. All information contained herein is proprietary and is protected under copyright and other applicable law.

This material may be translated into other languages. Where such a translation is made, this English version remains

definitive; any discrepancies with another language, the English version prevails.

This material has been prepared on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. However, no assurances are provided regarding the reliability of such information and MSIM, the Firm has not sought to independently verify information taken from public and third-party sources.

Forecasts and/or estimates provided herein are subject to change and may not actually come to pass. Information regarding expected market returns and market outlooks is based on the research, analysis and opinions of the authors or the investment team. These conclusions are speculative in nature, may not come to pass and are not intended to predict the future performance of any specific strategy or product the Firm offers. Future results may differ significantly depending on factors such as changes in securities or financial markets or general economic conditions.

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

INDEX INFORMATION

The **MSCI AC World Net Index (MSCI 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.

Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto. The Fund is actively managed, and the management of the fund is not constrained by the composition of the Benchmark.

DISTRIBUTION

This material is only intended for and will be only distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations. It is the responsibility of any person in possession of this material and any persons wishing to make an application for Shares in pursuant to the Prospectus to inform themselves and observe all applicable laws and regulations of any relevant jurisdictions.

MSIM, the asset management division of Morgan Stanley (NYSE: MS), and its affiliates have arrangements in place to market each other's products and services. Each MSIM affiliate is regulated as appropriate in the jurisdiction it operates. MSIM's affiliates are: Eaton Vance Management (International) Limited, Eaton Vance Advisers International Ltd, Calvert Research and Management, Eaton Vance Management, Parametric Portfolio Associates LLC, and Atlanta Capital Management LLC.

In the EU, this material is issued by MSIM Fund Management (Ireland) Limited ('FMIL'). FMIL is regulated by the Central Bank of Ireland and is incorporated in Ireland as a private company limited by shares with company registration number 616661 and has its registered address at 24-26 City Quay, Dublin 2, DO2 NY19, Ireland.

Outside the EU, this material is issued by MSIM Ltd is authorized and regulated by the Financial Conduct Authority. Registered in England. Registered No. 1981121. Registered Office: 25 Cabot Square, Canary Wharf, London E14 4QA.

Switzerland: MSIM materials are available in German and are issued by Morgan Stanley & Co. International plc, London (Zurich Branch) Authorised and regulated by the Eidgenössische Finanzmarktaufsicht ("FINMA"). Registered Office: Beethovenstrasse 33, 8002 Zurich, Switzerland.

Dubai: MSIM Ltd (Representative Office, Unit Precinct 3-7th Floor-Unit 701 and 702, Level 7, Gate Precinct Building 3, Dubai International Financial Centre, Dubai, 506501, United Arab Emirates.

This document is distributed in the Dubai International Financial Centre by Morgan Stanley Investment Management Limited (Representative Office), an entity regulated by the Dubai Financial Services Authority ("DFSA"). It is intended for use by professional clients and market counterparties only. This document is not intended for distribution to retail clients, and retail clients should not act upon the information contained in this document.

This document relates to a financial product which is not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying any documents in connection with this financial product. Accordingly, the DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it. The financial product to which this document relates may be illiquid and/or subject to restrictions on its resale or transfer. Prospective purchasers should conduct their own due diligence on the financial product. If you do not understand the contents of this document, you should consult an authorized financial adviser.

Hong Kong: This material is disseminated by Morgan Stanley Asia Limited for use in Hong Kong and shall only be made available to "professional investors" as defined under the Securities and Futures Ordinance of Hong Kong (Cap 571). The contents of this material have not been reviewed nor approved by any regulatory authority including the Securities and Futures Commission in Hong Kong. Accordingly, save where an exemption is available under the relevant law, this material shall not be issued, circulated, distributed, directed at, or made available to, the public in Hong Kong.

Singapore: This material should not be considered to be the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor under section 304 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"); or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. In particular, for investment funds that are not authorized or recognized by the MAS, units in such funds are not allowed to be offered to the retail public; any written material issued to persons as aforementioned in connection with an offer is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and investors should consider carefully whether the investment is suitable for them. In cases where you are dealing with a representative of Morgan Stanley Asia Limited, and where such representative is acting on behalf of Morgan Stanley Asia Limited, please note that such representative is not subject to regulatory requirements issued by the Monetary Authority of Singapore nor is under the supervision of the Monetary Authority of Singapore. For any issues which may arise in your dealing with such representative, please approach the Singapore-based contact person who has been established as your local contact person.

Australia: This material is provided by Morgan Stanley Investment Management (Australia) Pty Ltd ABN 22122040037, AFSL No. 314182 and its affiliates and does not constitute an offer of interests. Morgan Stanley Investment Management (Australia) Pty Limited arranges for MSIM affiliates to provide financial services to Australian wholesale clients. Interests will only be offered in circumstances under which no disclosure is required under the Corporations Act 2001 (Cth) (the "Corporations Act"). Any offer of interests will not purport to be an offer of interests in circumstances under which disclosure is required under the Corporations Act and will only be made to persons who qualify as a "wholesale client" (as defined in the Corporations Act). This material will not be lodged with the Australian Securities and Investments Commission.

Chile: Potential investors are advised that this document refers to foreign securities that may be registered in the Foreign Securities Register ("FSR") from the Commission for Financial Markets (Comisión para el Mercado Financiero or "CMF") (the "Registered Securities") or that may not be registered in the FSR (the "Non-Registered Securities").

For Registered Securities, please be advised: The securities being offered are foreign. Shareholder rights and obligations are those of the issuer's home jurisdiction. Shareholders and potential investors should inform themselves on what those rights and obligations are and how to exercise them. CMF supervision of the securities is limited to information requirements in Rule 352, overall supervision is conducted by the foreign regulator in the issuer's home jurisdiction. Public information available for the securities is exclusively that required by the foreign regulator and accounting principles and auditing rules might differ to those applicable to Chilean issuers. The provisions on Article 196 of Law 18.045 are applicable to all parties involved in the registration, deposit, transaction and other acts associated with the foreign securities ruled by Title XXIV of Law 18.045.

For Non-Registered Securities, please be advised: THE SECURITIES INCLUDED IN THIS DOCUMENT ARE NOT REGISTERED IN THE FSR AND OFFERS REGARDING SUCH SECURITIES WILL BE CONDUCTED SUBJECT TO GENERAL RULE N°336 OF THE CMF, BEGINNING AT THE DATE OF THIS DOCUMENT. THESE ARE FOREIGN SECURITIES AND THEIR ISSUER IS UNDER NO OBLIGATION TO PROVIDE PUBLIC DOCUMENTS IN CHILE. THE SECURITIES ARE NOT SUBJECT TO THE SUPERVISION OF THE CMF AND CANNOT BE PUBLICLY OFFERED. THEREFORE, THIS DOCUMENT AND OTHER OFFERING MATERIALS RELATING TO THE OFFER OF THE INTERESTS IN THE FUND DO NOT CONSTITUTE A PUBLIC OFFER OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE, THE FUND INTERESTS IN THE REPUBLIC OF CHILE.

Please contact your local Distributor or the person who provided this document for information on the registration

status of specific securities.

Peru: The Fund is a sub Fund of the Morgan Stanley Investment Funds, a Luxembourg domiciled Société d'Investissement à Capital Variable (the "Company") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part 1 of the Law of 17th December 2010, as amended. The Company is an Undertaking for Collective Investment in Transferable Securities ("UCITS"). If the Fund and the interests in the Fund have been registered in Peru under *Decreto Legislativo 862: Ley de Fondos de Inversión y sus Sociedades Administradoras* as amended; under *Decreto Legislativo 861: Ley del Mercado de Valores* (the "Securities Market Law") as amended, and under the *Reglamento del Mercado de Inversionistas Institucionales* approved by *Resolución SMV N°021-2013-SMV/01* as amended by the *Resolución de Superintendente N°126-2020-SMV/02* (the "Reglamento 1") and *Resolución de Superintendente N°035-2021-SMV/02* (the "Reglamento 2"), and are being offered to institutional investors only (as defined in article 8 of the Securities Market Law) under the special public offering directed exclusively to the institutional investors under the *Reglamento 1 and Reglamento 2*, then the interests in the Fund will be registered in the Section "Del Mercado de Inversionistas Institucionales" of the Securities Market Public Registry (*Registro Público del Mercado de Valores*) maintained by the *Superintendencia del Mercado de Valores (SMV)*, and the offering of the Fund interests in Peru only to institutional investors will be subject to the supervision of the SMV, as well as 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 under Article 27 of the *Reglamento 1 and Reglamento 2*. If neither the Fund nor the interests in the Fund 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.