

A Sub-Fund of Morgan Stanley Investment Funds

Emerging Markets Corporate Debt Fund

EMERGING MARKETS DEBT TEAM

Performance Review

In the one month period ending 31 October 2025, the Fund's Z shares returned 0.50% (net of fees)¹, while the benchmark returned 0.56%.

Contributors to Relative Performance

- Overweights to Colombian and Brazilian airline companies Abra Global (parent company of Gol Linhas Aéreas) and Gol Finance (a subsidiary of Gol Linhas Aéreas). Markets reacted positively to Gol Linhas Aéreas' post-bankruptcy recovery progress and Abra's improved liquidity position, following reports of successful refinancing and stronger cash flow visibility. Investor confidence in Abra's credit profile improved after Gol resumed full flight operations and reduced near-term refinancing risk, driving spread tightening across Abra-linked bonds.
- An overweight to Chinese e-commerce company Alibaba, as investors priced in stronger earnings and reduced regulatory pressure, alongside robust demand for its new artificial intelligence (AI) and cloud initiatives.

Detractors from Relative Performance

- An overweight to Brazilian industrials company Braskem, as Brazilian prosecutors expanded investigations into environmental liabilities and corruption claims linked to its Alagoas operations, heightening credit and environmental, social and governance (ESG) concerns.
- An overweight to Colombian energy company Ecopetrol, as oil production guidance was revised lower and concerns rose about potential state interference in dividend policy ahead of Colombia's 2026 budget debate.
- An overweight to Indian financials company Porteast Investment.

Market Review

The U.S. dollar (USD) strengthened month-over-month, but the local currency index (J.P. Morgan Government Bond Index-Emerging Markets Global Diversified) was still positive, aided by the Chilean peso, Indonesian rupiah, Peruvian sol and South African rand. Despite the 25 basis point interest rate cut by the Federal Reserve (Fed), several factors contributed to USD strength, including a hawkish sentiment from the Fed at its October meeting and new trade agreements. Spreads tightened for both sovereign and corporate credit month-over-month, and U.S. Treasury yields fell with the Fed's latest rate cut, which boosted performance for hard currency assets. The U.S. and China reached a truce in their trade war, with the U.S. lowering the average tariff on Chinese imports to 47%. For its part, China agreed to soybean purchases, suspended export restrictions on rare earth minerals for a year, and committed to implementing strict restrictions on fentanyl trafficking. In Argentina, the national mid-term elections were held at the end of the month, and President Milei's political party had a decisive victory. The asset class continued to attract inflows, with an additional \$4.6 billion in net inflows during October, consisting of \$1.7 billion for hard currency funds and \$2.9 billion for local currency funds.²

Performance for the underlying emerging markets debt indexes was positive for the month. The USD-denominated sovereign index, the J.P. Morgan EMBI Global Diversified Index, was up 2.13%. The emerging markets corporate bond index — the J.P. Morgan CEMBI Broad Diversified Index — was up 0.56%. Finally, the local segment of the asset class, represented by the J.P. Morgan Government Bond Index-Emerging Markets Global Diversified, was up 0.46%.

Portfolio Activity

During the month, we added exposure to Ukrainian agriculture company Kernel and Chinese consumer company Alibaba, while reducing exposure to Pan-Caribbean telecom company Digicel and Chinese real estate company Yuexiu Real Estate Investment Trust.

Strategy and Outlook

The fundamental outlook for the emerging markets debt asset class remains robust as numerous countries implement significant reform agendas. Valuations are appealing, particularly when spreads remain tight in most areas of credit markets. Many emerging markets currencies are still relatively undervalued, and the macro environment remains supportive given the weaker U.S. dollar. The dollar is likely to remain under pressure due to continued policy uncertainty in the U.S., increased fiscal spending, and the expectation for additional interest rate cuts in the near future. The emerging markets landscape is diverse, which in our view makes it essential to focus on country-specific fundamentals and policy directions.

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

¹ Source: Morgan Stanley Investment Management. Data as of 31 October 2025.

² Source: J.P. Morgan. Data as of 31 October 2025.

Fund Facts

Launch date	07 March 2011
Base currency	U.S. dollars
Benchmark	JPM Corporate Emerging Markets Bond Index-Broad Diversified 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	7.14	10.01	9.30	-13.06	-0.02	5.00	13.22	-4.52	10.67	10.77	-0.26
JPM Corporate Emerging Markets Bond Index-Broad Diversified Index	7.95	7.63	9.08	-12.26	0.91	7.13	13.09	-1.65	7.96	9.65	1.30

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 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.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 31.10.2025 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. 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.

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.

INDEX INFORMATION

JP Morgan CEMBI Broad Diversified Index a global, liquid corporate emerging-markets benchmark that tracks U.S.-denominated corporate bonds issued by emerging-markets entities.

The indexes are unmanaged and do not include any expenses, fees, or sales charges. It is not possible to invest directly in an index.

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J.P. Morgan Emerging Markets Bond Index Global Diversified is an unmanaged index of USD-denominated bonds with maturities of more than one year issued by emerging markets governments.

J.P. Morgan Government Bond Index Emerging Market (GBI-EM)

Global Diversified is an unmanaged index of local-currency bonds with maturities of more than one year issued by emerging markets governments.

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