A Sub-Fund of Morgan Stanley Investment Funds

Emerging Markets Debt Opportunities Fund

EMERGING MARKETS DEBT TEAM

Performance Review

In the one month period ending 31 December 2025, the Fund's A shares returned 1.85% net of fees (ex EC)[1], while the benchmark returned 1.05%.

-The Fund outperformed its benchmark, the J.P. Morgan EMB (JEMB) Hard Currency/Local Currency 50-50 Index, for the month.

-The Fund normally has a structural zero weight to U.S. Treasury duration compared to the benchmark's nearly three years of U.S. duration. The near-zero weight detracted from performance, as U.S. Treasury yields fell for most of the quarter amid the volatility of U.S. foreign policy.

-In Africa, an off-benchmark allocation to Egyptian local bonds was supportive, given the decision by the Central Bank of Egypt to cut interest rates in both October and December in the wake of moderating inflation and continued reserve accumulation. The bonds continue to benefit from fiscal reforms and investment from regional partners. Off-benchmark exposure to Nigerian naira contributed, as the currency appreciated sharply in the wake of continuing currency auctions, additional market reforms to clear dollar backlogs, and increased external reserves. An underweight to South African rand detracted from performance as the rand rallied along with most emerging markets (EM) currencies.

-In Latin America, an overweight to Argentine sovereign credit detracted from performance in the wake of political uncertainty following the results of the Buenos Aires provincial elections.

-In Eastern Europe, Uzbekistani local bonds contributed to performance, as the currency appreciated against the backdrop of stabilizing inflation and credible monetary policy.

Market Review

Both the local currency and hard currency segments of the emerging markets debt market delivered strong performance during the fourth quarter. The U.S. dollar (USD) strengthened in October and through most of November as the Federal Reserve (Fed) took a more cautious tone on future interest rate cuts following September's cut. Weakness in the euro and Japanese yen during that period also helped to boost the USD. In December, the USD reversed course due to slower economic growth in the third quarter and a further 25-basis-point rate cut by the Fed. Local rates also broadly rallied, aiding performance of the local segment of the asset class. Spreads tightened for both sovereign and corporate credit, bringing spread levels to multiyear lows. The U.S. and China established an updated trade deal in November. The U.S. lowered its fentanyl-related tariff to 10% and extended the expiration of select exclusions until November 2026. China suspended retaliatory tariffs, removed rare earth export controls and resumed soybean purchases. In December, the European Union approved a €90 billion aid package for Ukraine. The funds were financed through external borrowing rather than using frozen Russian assets, which was previously considered. In Argentina, President Milei's La Libertad Avanza (LLA) party redeemed itself in the countrywide midterm elections at the end of October. This came after a poor performance by LLA in September's provincial elections; the resulting political uncertainty led to large outflows and saw the market mechanisms to defend the peso nearly depleting reserve levels. Emerging markets debt finished the year with strong inflows for both hard and local currency funds. The asset class saw a couple of single weeks of outflows in mid-October and the first week of November as investors briefly turned risk-off, but October also saw the largest weekly inflow in over two years. The hard currency segment of the asset class received $6.4 billion, while the local currency segment saw $6.8 billion in inflows for the quarter.[2]

Performance for the underlying emerging markets debt indexes was positive for the month. The local segment of the asset class, represented by the J.P. Morgan Government Bond Index-Emerging Markets Global Diversified, was up 1.49%. The USD-denominated sovereign index, the J.P. Morgan EMBI Global Diversified Index, was up 0.72%. Finally, the emerging markets corporate bond index — the J.P. Morgan CEMBI Broad Diversified Index — was up 0.48%.

Strategy and Outlook

Valuations remain attractive for many areas of the emerging markets debt universe, particularly on the local credit side. Average annual inflation is likely to continue to fall for many EM countries relative to developed markets. As a result, select EM central banks will likely be positioned to continue to cut rates, with further support from U.S. easing and a weaker USD. Geopolitical conflicts remain, as the Russia-Ukraine war continues and both Israel and Hamas have accused each other of breaching the ceasefire. Beyond the humanitarian tragedies of these conflicts, there have been global spillovers that continue to trickle through to the world economy. Credit spreads are tight and near multiyear lows, but the universe does still have select pockets of opportunity, particularly off benchmark, in our view. While the landscape is very differentiated, individual country-level fundamentals continue to

[1] Source: Morgan Stanley Investment Management. Data as of 31 December 2025.
[2] Source: J.P. Morgan. Data as of 31 December 2025.

improve, lowering the sovereign risk premium. We believe that bottom-up country-level evaluation continues to be key to uncover value.

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

Fund Facts

Launch date	25 September 2019
Base currency	U.S. dollars
Benchmark	50% GBI-EM Global Div/25% EMBI Global Div/25% CEMBI Div

Investment Performance (% of net fees (ex EC)) in USD†

	Cumulative (%)				Annualised (% p.a.)			
	1 M	3 M	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class A	1.85	4.60	14.68	14.68	12.95	--	--	5.92
Benchmark	1.05	2.81	15.34	15.34	9.53	--	--	2.36

12 Month Performance Periods To Latest Month End (%)

	DEC'24 -DEC'25	DEC'23 -DEC'24	DEC'22 -DEC'23	DEC'21 -DEC'22	DEC'20 -DEC'21	DEC'19 -DEC'20	DEC'18 -DEC'19	DEC'17 -DEC'18	DEC'16 -DEC'17	DEC'15 -DEC'16
Class A (ex EC)	14.68	13.74	10.48	-8.67	--	--	--	--	--	--
Class A (in EC)	--	--	--	-13.47	--	--	--	--	--	--
Benchmark	15.34	2.28	11.38	-13.34	--	--	--	--	--	--

All performance data is calculated NAV to NAV. The sources for all performance and index data is Morgan Stanley Investment Management ('MSIM Ltd').

% Net of fees figure shown assumes reinvestment of all distributions and deduction of fund level costs (which include: the deduction of the Management, trustee/custodian and administration charges) plus the deduction of the maximum entry charge applicable at investor level that may be taken out of your subscription money before it is invested.

Please see the Fund's current prospectus and the share class' Key Investor Information Document for complete details on fees and sales charges.

† Example: If, an investor wishes to purchase USD 100 worth of shares, the maximum entry charge of 5.75% would be applied. Therefore, the investor has to expend USD 106.10 in total at subscription to obtain USD 100 worth of shares.

Excluding Entry Charge ('ex EC') figure shown assumes reinvestment of all distributions and deduction of fund level costs, but does not reflect the deduction of any entry charge applicable at investor level.

Including Entry Charge ('in EC') figure assumes reinvestment of all distributions and deduction of fund level costs, plus the deduction of any entry charge applicable at investor level.

Share Class A 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 is 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.
- 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 31.12.2025 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 from the Prospectus of the Fund.

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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This 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.

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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

The **J.P. Morgan EMB (JEMB) Hard Currency/Local currency 50-50** is a blended index consisting of 50% **J.P. Morgan Government Bond Index Emerging Market Global Diversified** (JPM GBI-EM GD), 25% **J.P. Morgan Emerging Markets Bond Index Global Diversified** (JPM EMBIGD), 25% **J.P. Morgan Corporate Emerging Market Bond Index Broad Diversified** (JPM CEMBI BD).

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.

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 Corporate Emerging Market Bond Index Broad Diversified is an unmanaged index of USD-denominated emerging market corporate bonds.

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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A blended benchmark has been used because there has been a change in benchmark during the reporting period shown.

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*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.