

A Sub-Fund of Morgan Stanley Investment Funds Global Balanced Fund

PORTFOLIO SOLUTIONS GROUP

Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this UCITS presents disproportionate communication on the consideration of extra-financial criteria in its management.

Performance Review

In the one month period ending 30 November 2025, the Fund's Z shares returned -0.27% (net of fees)¹, while the benchmark returned -0.25%.

Global market performance was mixed in November amid waning artificial intelligence (AI) enthusiasm and diverging long-term bond yields. The U.S. government shutdown ended, earnings season concluded strongly, and hopes for a December Federal Reserve (Fed) interest rate cut increased. But markets were cautious about AI's long-term prospects and weaker retail sales and consumer indicators. In commodity markets, gold prices advanced while crude oil prices retreated.

Our allocations to European equities, MS INVF Global Asset Backed Securities Fund and emerging markets bonds were the top contributors to performance, while our allocations to U.S. equities, emerging markets equities and Japanese government bonds were the top detractors over the month of November.

Market Review

United States

The MSCI USA Index returned 0.00% in U.S. dollar (USD) terms and -0.68% in euro terms in November.

Business conditions in the U.S. manufacturing sector contracted at a faster rate in November. The Institute for Supply Management (ISM) Manufacturing PMI dropped to 48.2%, from 48.7% in October, as greater declines in new orders and employment offset a rebound in production. Service sector conditions posted a mild improvement overall on the back of accelerating growth in business activity, weaker growth in new orders and a slower decline in employment. The ISM Services PMI increased to 52.6% in November, from 52.4% in October.

The U.S. unemployment rate was 4.4% in September 2025, slightly above 4.3% in August, with 119,000 jobs added in the month, according to the delayed data release from the U.S. Bureau of Labor Statistics (BLS). Wages grew 3.8% in the 12 months ended September 2025. Updated consumer price index (CPI) data for October 2025 was cancelled due to the U.S. government shutdown.

Eurozone

The MSCI Europe Index returned 0.91% in euro terms and 1.60% in USD terms in November.

Signalling a return to contraction, the HCOB Eurozone Manufacturing PMI fell to 49.6 in November, from 50.0 in October, pressured by a renewed fall in new orders, a slowdown in production growth and a sharper decline in jobs. The service sector, however, showed a faster expansion in business activity, aided by stronger new business sales growth. Hiring also continued to grow but at a slower pace. The HCOB Eurozone Services PMI rose to 53.6 in November, from 53.0 in October.

Annual headline inflation increased to 2.2% in November 2025, from 2.1% in October, according to Eurostat's flash estimate. Annual core inflation (excluding energy, food, alcohol and tobacco) rose an estimated 2.4% in November 2025, unchanged from October. In a separate Eurostat report, the unemployment rate in October 2025 was estimated at 6.4% in the euro area and 6.0% in the European Union. Both rates were stable compared with September.

Japan

The MSCI Japan Index returned 0.59% in yen terms and -0.69% in USD terms in November.

Japan's private sector economy continued to be driven by service sector activity. The manufacturing sector downturn persisted amid weak demand. Shrinking new orders remained near the 20-month low and output volumes retreated, albeit at a slower pace. However, headcounts were increased slightly. As a result, the S&P Global Japan Manufacturing PMI rose to 48.7 in November, from 48.2 in October. Expansionary conditions in the service sector were supported by accelerating growth in new orders and employment. The S&P Global Japan Services PMI came in marginally higher at 53.2 in November, from 53.1 in October.

Headline inflation rose 3.0% in the year to October 2025, increasing from 2.9% in September 2025, as reported by the government's statistics office. Japan's unemployment rate was 2.6% in October 2025, holding steady from September 2025. Household spending fell -3.0% (in real terms) in the year ended October 2025.

¹ Source: Morgan Stanley Investment Management. Data as of 30 November 2025.

Portfolio Activity

In November, we made a few changes to the portfolio, driven by mixed global market performance amid waning AI enthusiasm and diverging long-term bond yields. We maintained a neutral stance on overall equity exposure, while our outlook has grown increasingly constructive as we approach 2026. We added to U.S. equities, supported by strong third quarter 2025 earnings and continued resilience in growth, reinforcing our positive view on the market. We continue to expect a reacceleration of growth in 2026, with tailwinds to come in the form of monetary stimulus, fiscal stimulus, deregulation and continued AI adoption.

Within Europe, we increased exposure to the German stimulus basket. We continue to hold a positive view on structural trends in Europe, but earnings revisions at the broad index level continue to lag other regions. We therefore opt for a more targeted approach to our exposure and retain our overweight in German mid-caps.

The portfolio's effective equity exposure at the end of the month was 57.4%.

Strategy and Outlook

The U.S. government shutdown that began on 1 October came to an end on 12 November. Markets had been mostly willing to look through the shutdown, recognising that economic weakness stemming from the prior shutdowns tended to be offset by the subsequent rebound. The shutdown has, however, reduced visibility into economic trends. This stems from the halt to government data releases as resulting disruptions from the shutdown make it more difficult to distinguish signal from noise.

Most data published post-reopening reflects the period just before the shutdown; for current trends, we monitor claims data and PMI index releases. Claims data support previous labour market views but raise no new concerns. Initial jobless claims continue to align with recent years, showing no sign of an uptick in layoffs, while continuing claims are steadily rising, reflecting weak hiring. Both regional and national PMI indices show sequential slowing in the fourth quarter relative to the third. While directionally negative, the shift so far is incremental, and the government shutdown has been expected to carry a degree of short-term weakness.

AI remained a key market driver, with November's volatility mostly reflecting doubts about the durability of the trade. This is not the first time this year that optimism has wobbled, and such oscillations should be unsurprising as markets manage the uncertainty of two-sided risk. Key fundamentals remain strong, as earnings consistently show demand exceeding supply, which supports infrastructure investments. Changing funding methods for AI development have raised concerns about increased risks if capital expenditure spending declines. However, these risks may be offset if 2026 brings clearer productivity gains as AI moves further into practical applications.

We expect growth to accelerate in 2026, offering new hope for economic broadening and presenting a favourable backdrop for financial markets. Fed rate cuts, the front-loading of fiscal benefits within the Trump administration's One Big Beautiful Bill Act, the accruing benefits of deregulation efforts, and fading tariff headwinds all point to stronger growth. Meanwhile, the AI theme begins the transition from investment to application stage, offering potential upside from realised productivity gains.

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

Fund Facts

Launch date	16 August 2016
Base currency	Euro

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	2.93	12.12	7.35	-9.04	8.79	-2.57	8.59	-4.43	4.63	--	--

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 fund's ability to buy or sell securities.
- Commodity investments can change significantly and quickly in value as a large variety of factors affect them.

- 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 30.11.2025 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. 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

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.

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. If you are a distributor of the Morgan Stanley Investment Funds, some or all of the funds or shares in individual funds may be available for distribution. Please refer to your sub-distribution agreement for these details before forwarding fund information to your clients.

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.

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.

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

INDEX INFORMATION

The **MSCI USA Index** is designed to measure the performance of the large and mid cap segments of the US market. With 631 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

The **MSCI Europe Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe. 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.

The **MSCI Japan Index** is a free-floated adjusted market capitalization weighted index that is designed to track the equity market performance of Japanese securities listed on the Tokyo Stock Exchange, Osaka Stock Exchange, JASDAQ and Nagoya Stock Exchange. The MSCI Japan Index is constructed based on the MSCI Global Investable Market Indices Methodology, targeting a free-float market capitalization coverage of 85%.

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 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 Advisers International Ltd, Calvert Research and Management, Eaton Vance Management, Parametric Portfolio Associates LLC, Atlanta Capital Management LLC and Parametric SAS.

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.

Saudi Arabia: This document may not be distributed in the Kingdom except to such persons as are permitted under the Investment Funds Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the securities offered hereby should conduct their own due diligence on the accuracy

of the information relating to the securities to be offered. If you do not understand the contents of this document, you should consult an authorised financial adviser.

This financial promotion was issued and approved for use in Saudi Arabia by Morgan Stanley Saudi Arabia, Al Rashid Tower, Kings Sand Street, Riyadh, Saudi Arabia, authorized and regulated by the Capital Market Authority license number 06044-37.

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.