A Sub-Fund of Morgan Stanley Investment Funds

Global Convertible Bond Fund

HIGH YIELD TEAM

Performance Review

In the one month period ending 31 July 2026, the Fund's I shares returned -0.93% (net of fees)[1], while the benchmark returned -1.29%.

Communication services and energy were the Fund's worst-performing sectors relative to the benchmark in July. Relative outperformance in communication services was driven by sound security selection and an underweight position. The primary individual contributor in the sector was a lack of exposure to an American satellite communications company. The company continues to be unprofitable as it builds out its space-based cellular network, and it issued additional convertible bonds during the month to help fund its operations. In energy, relative outperformance was driven by favorable security selection and was led by an overweight position in a multinational integrated energy company based in Italy. The company announced its second quarter earnings, which saw net income beat consensus expectations.

Information technology and financials were the Fund's worst-performing sectors relative to the benchmark during the month. Relative underperformance in information technology was driven by adverse security selection and an overweight position. The primary individual detriment was an overweight position in a European provider of artificial intelligence (AI) infrastructure. The company's bonds struggled in a tough month for AI-related companies as questions about AI infrastructure spending re-emerged. In financials, relative underperformance was driven by challenging security selection and was led by an overweight position in an American financial technology company. The company came under pressure with other technology companies over questions related to future AI spending.

Market Review

July was another negative month for global convertible bonds. The sell-off in the asset class was primarily driven by questions around the ever-growing amount of spending on AI infrastructure as well as its impact on the cash flows of the hyperscalers in the U.S. Additionally, the re-escalation of the conflict in Iran added to the volatility during the month. Ultimately, global convertible bonds underperformed global equities and performed in line with global bonds. The FTSE Global Focus Convertible (USD Hedged) Index returned -1.29% in July, while the MSCI All Country World Index and the Bloomberg Global Aggregate Credit Index (USD Hedged) returned 0.08% and -1.29%, respectively. After a record-setting June, the pace of new issuance slowed in July, which is typical during this time of the year. In total, $6.8 billion priced during the month, which was still modestly ahead of the average monthly total for July. Investors' questions about AI-related spending also impacted the primary market as there was a drop-off in issuance from AI-related issuers during the month. Year-to-date issuance ended the month at $144.4 billion, which is well ahead of the $83.1 billion that priced over the same time period in 2025.[2]

Strategy and Outlook

As we enter the final stretch of the summer, we recognize a meaningful range of potential outcomes and an environment that remains susceptible to volatility. Our outlook for the U.S. and global economy continues to be somewhat cautious. The phase of combat operations in the war with Iran remains stuck in a seemingly perpetual on-again, off-again cycle, with dim prospects for a lasting peace at terms acceptable to the decision-makers involved. Even in the event of enduring peace, we expect some measure of energy inflation to persist over the near term, propping up inflation and, at least on the margin, weighing on consumer sentiment and injecting additional uncertainty into monetary policy. Select pockets of the U.S. economy — most notably manufacturing, labor, capital investment and risk assets — are exhibiting strong resilience, while other indicators reinforce a case for slower growth, firmer prices and a more challenging path for risk assets over the balance of the year. As a result, we continue to approach markets with caution, balancing generally supportive corporate fundamentals against a backdrop where risks remain elevated, and deltas (a convertible bond price's sensitivity to the underlying stock price) remain relatively high.

Despite a slowdown in July, new issuance remains on pace to easily surpass the highest year on record. The U.S. and Asia ex-Japan have led the way by region, while the technology sector has accounted for the most issuance by sector. The AI boom in both the United States and Asia has largely been responsible for this surge in issuance. While general corporate purposes continue to be the leading use of proceeds, a growing number of issuers have earmarked capital expenditures as the use of proceeds for their new debt. Despite questions emerging in July, we believe this trend will likely continue for the rest of the year as AI companies, as well as those linked to the AI boom, continue to issue debt to fund build-outs. Another source of issuance for the remainder of the year will likely be refinancings, as issuers need to start addressing their 2027 and 2028 maturities. Given relatively high interest rates and

1 Source: Morgan Stanley Investment Management Limited. Data as of 31 July 2026.
2 Source: Bank of America. Data as of 31 July 2026.

the uncertain path of global monetary policy, the convertible bond market continues to be an attractive place to either raise new capital to fund growth or refinance existing debt, in our view. A strong but issuer-friendly primary market is one way we believe an active manager focused on fundamental research can generate alpha in this market environment.

Although deltas have come off of their highs, the asset class continues to trade more equity-like, which has ultimately weakened the bond floor that provides downside risk mitigation. Investors only need to look back to March of this year to be reminded of the importance of having a strong bond floor, after the asset class sold off with other risk assets at the start of the U.S.-Iran conflict. Given high equity valuations, we continue to expect that deltas will likely remain in the mid-to-high 50s and thus susceptible to the pockets of volatility that we anticipate in the second half of the year. We will continue to monitor deltas throughout the rest of the year and will remain steadfast in our approach to providing investors with a portfolio of convertible bonds with a balanced delta that allows them to participate in the equity upside while also providing a strong bond floor.

In conclusion, we remain in a precarious position with respect to the conflict with Iran, where even in the event of another ceasefire, the pace with which oil and gas supply returns to pre-war levels and ultimately eases the global energy supply shortfall is still in question, along with the durability of peace in the Middle East more broadly. With numerous potential outcomes, each with unique follow-on effects, we continue to find ourselves in an environment highly susceptible to volatility. At the same time, we remain encouraged by the resiliency of economic growth, the labor market, consumer health and corporate balance sheets. Of course, this is from a starting point where deltas are more equity-like, which should cause investors to revisit the purpose of convertible bonds in their overall asset allocation. We believe that investors come to the asset class for its convexity and, as such, we will continue to spend our time concentrating on what we do best — focusing on bottom-up fundamental analysis with a discerning eye on providing a more balanced delta profile — as we seek to generate positive risk-adjusted alpha for our clients.

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

Fund Facts

Launch date	17 July 2002
Base currency	U.S. dollars
Benchmark	Custom- Blended Benchmark

Calendar Year Returns (%)

Past performance is not a reliable indicator of future results.

	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Class I Shares	7.90	11.45	5.81	12.47	-12.54	3.83	22.24	14.75	-3.69	6.01	1.73
Blended Benchmark	7.17	13.77	8.62	9.84	-16.00	-1.11	22.84	13.10	-3.01	6.00	1.59

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 I 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.
- 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 31.07.2026 and subject to change daily.

This material contains information relating to the sub-funds of 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").

Applications for shares in the sub-funds should not be made without first consulting the current Prospectus, Key Information Document ("KID") or Key Investor Information Document ("KIID"), Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction at Morgan Stanley Investment Funds Webpages or free of charge from the Registered Office European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxemburg B 29 192.

Information in relation to sustainability aspects of the Fund and the summary of investor rights is available at the aforementioned website.

In addition, all Italian investors should refer to the 'Extended Application Form', and all Hong Kong investors should refer to the 'Additional Information for Hong Kong Investors' section, outlined within the Prospectus. Copies of the Prospectus, KID or KIID, the Articles of Incorporation and the annual and semi-annual reports, in German, and further information can be obtained free of charge from the representative in Switzerland. The representative in Switzerland is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The paying agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'Ile, 1204 Geneva.

If the management company of the relevant Fund decides toterminate its arrangement for marketing that Fund in any EEAcountry where it is registered for sale, it will do so in accordancewith 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.

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 Blended Benchmark performance shown is calculated using the **ICE BofA G300 Global Convertible Index Local Currency** to 31 October 2005, the **ICE BofA G300 Global Convertible Index USD Hedged** to 30 April 2011 and the **Refinitiv Convertible Global Focus (USD Hedged) Index** thereafter. Effective 21 February 2020, the **Thomson Reuters Convertible Global Focus (USD Hedged) Index** was renamed to **Refinitiv Convertible Global Focus (USD Hedged) Index.** Effective 30th June 2024, the **Refinitiv Convertible Global Focus (USD Hedged) Index** was renamed to the **FTSE Global Focus Convertible (USD Hedged) Index.**

The FTSE Convertible Global Focus USD Hedged Index (Index) formerly known as Refinitiv Convertible Global Focus USD Hedged Index is derived from the FTSE Convertible Global Index (Global Index) using Regional Market Capitalization, Percentage Price, and Premium criteria. It aims to represent a sub-set of the Convertible market by selecting a sub-set of constituents from the Global Index with a common set of defined characteristics representing issues with what is termed a "balanced" profile. The Index is a market weighted index with a minimum size for inclusion of $500 million (US), €375 million (Europe), 22 billion Yen (Japan), $275 million (Asia ex-Japan), and $275 million (Other) of Convertible Bonds with an Equity Link.

ICE BofA G300 Global Convertible Index - Local Currency is a global convertible index composed of companies representative of the market structure of countries in North America, Europe and the Asia/Pacific region. It is composed of securities denominated in their respective local currencies.

ICE BofA G300 Global Convertible Index USD Hedged is a global convertible index composed of companies representative of the market structure of countries in North America, Europe and the Asia/Pacific region. It is hedged to the U.S. dollar.

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

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 Sub-Fund is actively managed, and the management of the fund is not constrained by the composition of the Benchmark.

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

The **MSCI All Country World 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. The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to invest directly in an index.

The **Bloomberg Global Aggregate Credit Index** is the credit component of the Bloomberg Global Aggregate index, which provides a broad-based measure of the global investment-grade fixed income market.

"Bloomberg®" and the Bloomberg Index/Indices used are service a mark of Bloomberg Finance L.P. and its affiliates and have been licensed for use for certain purposes by Morgan Stanley Investment Management (MSIM). Bloomberg is not affiliated with MSIM, does not approve, endorse, review, or recommend any product, and. does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any product.

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: Calvert Research and Management, Eaton Vance Management, Parametric Portfolio Associates LLC, Parametric SAS 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.

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 document has been issued by Morgan Stanley Asia Limited, CE No. AAD291, 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 document 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 document shall not be issued, circulated, distributed, directed at, or made available to, the public in Hong Kong.

Singapore: This material is disseminated in Singapore by Morgan Stanley Investment Management Company, Registration No. 199002743C. 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.

Australia: This material is provided by Morgan StanleyInvestment Management (Australia) Pty Ltd ABN 22122040037,AFSL No. 314182 and its affiliates and does not constitute anoffer of interests. Morgan Stanley Investment Management(Australia) Pty Limited arranges for MSIM affiliates to providefinancial services to Australian wholesale clients. Interests willonly be offered in circumstances under which no disclosure isrequired under the Corporations Act 2001 (Cth) (the"Corporations Act"). Any offer of interests will not purport to bean offer of interests in circumstances under which disclosure isrequired under the Corporations Act and will only be made topersons who qualify as a "wholesale client" (as defined in theCorporations 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:

If the Fund is NOT REGISTERED in 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"). Neither the Fund nor the interests in the Fund have been and will not be registered in Peru under Decreto Legislativo 862: Ley de Fondos de Inversión y sus Sociedades Administradoras and under Decreto Legislativo 861: Ley del Mercado de Valores (the "Securities Market Law"), nor they will be subject to a public offering directed to institutional investors under the Reglamento del Mercado de Inversionistas Institucionales approved by Resolución SMV N°021-2013-SMV/01 (the "Reglamento") as amended, and are being 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 have not been registered in 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 to institutional investors nor the Fund are subject to the supervision of the SMV. 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.

If the Fund is REGISTERED in 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”). 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 and Resolución de Superintendente N°035-2021-SMV/02 (the “Reglamento”), 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. The interests in the Fund have been 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 is subject to the supervision of the SMV . 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. Applications for Fund interests in the sub-fund mentioned herein should not be made without first consulting the current Prospectus, Key Information Document (“KID”) or Key Investor Information Document ("KIID"), Annual Report and Semi-Annual Report (“Offering Documents”), or other documents available in your local jurisdiction which is available free of charge from the Registered Office European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxemburg B 29 192.