Morgan Stanley Investment Funds

Global Property Fund

GLOBAL LISTED REAL ASSETS TEAM

Performance and Market Review

In the one month period ending 31 May 2024, the Fund's I shares returned 2.37% (net of fees)[1], while the benchmark returned 3.41%.

Global real estate securities rose (FTSE EPRA Nareit Developed Net Total Return Index, "the Index," 3.41%) for the month and underperformed the broader equity markets (MSCI World Net Index, 4.47%). Global equities posted solid gains in May as developed markets outperformed emerging markets. Investors continued to speculate on the timing of interest rate cuts, with indications that the U.S. cuts may come later than in certain other regions.

In the Index, the European (7.02%) and North American (4.53%) regions outperformed, while Asia (-1.51%) lagged the broader real estate market.[2] The Fund underperformed the benchmark, returning 2.37% for the month (Class I shares net of fees).

In the U.S., real estate securities climbed in May and marginally underperformed the broader equity markets, propelled by some strong corporate earnings and hopes that interest rate cuts may still happen later this year despite data showing inflation remains elevated beyond the Federal Reserve's 2% target. Within the Index, the cold storage sector was a top performer, reversing declines from earlier in the year, as first quarter earnings results exceeded expectations and 2024 guidance was raised. Seniors housing health care also remained a top performer in May, given the continued favorable operating environment, with a decline in new construction over the last two years and population growth within the 80+ age cohort accelerating. The industrial sector outperformed as the sector posted a good quarter of leasing despite economic headwinds. The mall sector also outperformed in May as fundamentals remain stable on continued leasing momentum. The data center sector was another outperformer, as the sector saw near-record demand in the first quarter as it continued to benefit from favorable secular demand trends driven by data growth and digital transformation. This, coupled with the growing constraints on additional supply, has allowed landlords to continue to push rents higher. The hotel sector was a key underperformer and one of only two sectors posting negative returns for the month, as REVPAR (revenue per available room) trends were softer than expected in the quarter due to a combination of softer leisure demand, poor weather and holiday calendar shifts. The office sector also posted negative returns for the period as weak long-term office job growth trends, persistent space rationalization efforts and elevated sector financial leverage continue to present a challenging operating environment for the sector.

In the U.S., the Fund's out-of-benchmark position in health care operators, sector overweights to seniors housing health care and data centers, underweight to the office sector, and security selection in hotels were top contributors to relative performance. These contributions were modestly offset by the Fund's security selection in seniors housing health care and gaming net lease.

In Europe, listed real estate performance was strong in May, continuing the rally seen in the second half of April, as markets looked forward to central bank interest rate cuts, credit spreads continued to normalize, and hopes grew that underlying property values were reaching a trough. As in April, European real estate share prices continued to break away from the close inverse correlation with German 10-year bond yields, which had been a notable feature of the sector's performance in 2022 and 2023. The strongest performing sector in the month was London offices, where broad-based pessimism on offices in general and long-running share price underperformance are being replaced by growing optimism that the expansion in property yields of recent years is coming to an end, and that low supply in modern, Grade A space in core locations could insulate value in coming years. German residential stocks also had a strong month, with several large-cap names suggesting that 2024 will see a trough in valuations, further reducing the risk of balance sheet stress. Real estate stocks in Sweden, where leverage levels are higher, outperformed the benchmark in euro terms; though this was mainly driven by a circa 3% appreciation of the Swedish krona versus the euro, which followed significant underperformance in the currency year-to-date. The more defensive, less cyclically exposed sectors, such as European health care, U.K. student accommodation and Swiss real estate stocks, underperformed. We note Sweden's central bank cut interest rates by 25 basis points[3] to 3.75% in the month, the first cut since 2016, driven by a positive outlook on inflation.

In Europe, the Fund's security selection in France and country overweight to the Netherlands were top relative contributors; this was partially offset by security selection in the Netherlands.

In the Asian real estate market, Australia posted solid positive returns in the month of May. Both Hong Kong and Japan, however, delivered negative returns. Singapore was largely stable. Australia real estate investment trusts (REITs) outperformed, with all sectors experiencing positive returns in the month. The Australian 10-year government bond yield fell 1 basis point to 4.41%[4] with

1 Source: Morgan Stanley Investment Management Limited. Data as of 31 May 2024.
2 Regional returns are represented by the FTSE EPRA Nareit Developed Asia Net Total Return Index, FTSE EPRA Nareit North America Net Total Return Index and FTSE EPRA Nareit Developed Europe Net Total Return Index. Data as of 31 May 2024. The performances of the indexes are listed in U.S. dollars and assume reinvestment of dividends. The indexes are unmanaged, and their returns do not include any sales charges or fees. Such costs would lower performance. It is not possible to invest directly in an index.
3 One basis point = 0.01%
4 Source: Bloomberg L.P. Data as of 31 May 2024.

year-end market cash rate expectations moderating. First quarter updates showed slowly improving residential sales, a normalization in retail metrics, continued underperformance in office and continued outperformance in industrials. Goodman Group's quarterly update was a standout as it upgraded its annual earnings per share growth guidance. In Japan, both developers and REITs underperformed, as investors expect the Bank of Japan (BOJ) to hike rates on higher inflation and Japanese yen weakness. The 10-year Japan government bond (JGB) yield rose 19 basis points to 1.07%,[4] dragging down sentiment towards REITs. Hong Kong stocks performed broadly in line with the index. The 3-month Hong Kong Interbank Offered Rate (HIBOR) rose 18 basis points to 4.73%.[4] Hong Kong retail sales in April continued to miss expectations, falling 15% year-over-year due to fewer mainland Chinese visitations and consumption leakage from outbound spending.[5] After an initial surge in monthly residential transactions in March and April following numerous stamp duty removals and easing of loan-to-value ratios for homebuyers at the end of February, total residential sales fell nearly 40% month-over-month.[6] In Singapore, stocks rebounded modestly following a weaker month. Singapore residential developers underperformed following the announcement that City Developments would be removed from MSCI's indexes during its May 2024 quarterly review.

In Asia, the Fund's security selection in Australia and country underweight to Hong Kong contributed to relative performance; this was offset by the overweight to and security selection in Japan.

Strategy and Outlook

The team uses internal proprietary research to invest in public real estate companies that we believe offer the best value relative to their underlying assets and growth prospects. The team combines a bottom-up approach, assessing the intrinsic value, equity multiples and growth prospects of each security, with a top-down view that incorporates fundamental inflection points, macroeconomic considerations, and geopolitical and country risk. By incorporating both an equity market valuation and a more traditional real estate valuation with a top-down overlay, we believe the Fund will be better prepared to identify securities with the best expected total returns.

Given the expected stabilization in interest rates across the globe and the start of interest rate cuts in certain countries, forecasted returns for the asset class are positive. Moreover, we believe relative strength in cash flows can be expected given the unique nature of listed real estate. While changing market sentiment and expectations about the magnitude of interest rate cuts may cause volatility in the overall real estate sector returns, the longer-term outlook remains favorable.

Specifically, contracted rental streams with inflation-linked escalations and the necessity-based nature of real estate—the listed real estate market evolves and grows with the broader needs of society and the economy and sits at the epicenter of how people live, work, shop and communicate—coupled with limited new real estate supply additions in the vast majority of sectors, should result in cash flow growth. Additionally, secular themes driving demand for necessity-based real estate, including Technology and Innovation, Aging Demographics, Housing Shortages and Affordability, Global Supply Chain Reorganization and Onshoring, and External Growth Opportunities, are powerful catalysts that we believe can propel growth above expectations for years to come and ultimately reset valuations higher in exposed sectors. Finally, we believe the relative valuation of real estate securities is attractive, specifically when compared to direct property investment and the broader equities market, and is presenting an interesting pricing arbitrage opportunity for investors.

In North America, secular trends will result in winners and losers for real estate.

- In retail, secular headwinds remain; however, the physical store remains an important point of distribution for retailers. We favor the outlook for nondiscretionary, grocery and convenience-oriented retail landlords. Tenant bankruptcy watch lists are stable, and the pipeline of new tenants looking to enter high quality retail centers is surprisingly strong. New supply is non-existent.
- Work-from-home (WFH) policies will likely be a permanent overhang on office demand, and related uncertainty regarding future office absorption is expected to remain an open question for several more years. Utilization rates remain stubbornly low versus 2019 levels, with high levels of vacancy and sublease space available across key markets. Despite value and demand deterioration broadly, the market is beginning to recognize and appreciate that well located, class A office buildings will likely remain a store of value and could present interesting opportunities for investment.
- In lodging, leisure demand is seeing some moderation from record high levels; however, business and group travel is improving. New supply remains below historical averages.
- In residential, affordability concerns regarding homeownership, given rising mortgage rates and home price appreciation, will likely lead to increasing rental demand for both traditional multi-family and single-family rentals. However, supply growth in multi-family is above the historical trend, particularly in Sunbelt markets.
- In industrial, longer-term trends remain solid, driven by the continued need to modernize logistics distribution and a growing trend towards onshoring, which has resulted in record-low vacancy and double-digit revenue growth for warehouses. However, new supply is significantly above average and currently outpacing demand, despite these favorable secular tailwinds. Additionally, tenants are displaying less urgency in decision making, elongating the sales cycle for lease signing. While new market rent growth is moderating and vacancy is modestly increasing, the embedded growth remains among the highest within commercial real estate and is expected to fuel outsized cash flow growth for several years. Additionally, new supply is forecast to moderate significantly into 2025.

[4] Source: Bloomberg L.P. Data as of 31 May 2024.
[5] Source: Census and Statistics Department of the Government of Hong Kong Special Administrative Region. Data as of 31 May 2024.
[6] Source: The Land Registry of the Government of Hong Kong Special Administrative Region and Centaline Property. Data as of 31 May 2024.

- In self-storage, fundamentals are moderating but are beginning to show very early signs of stabilization. The slowdown in the broader housing market has negatively impacted demand for self-storage, and a turnaround in the housing transaction market will likely fuel increased demand for storage. New market rents are deteriorating; however, existing customer renewals remain positive. New supply remains below historical averages.
- In health care, the necessity-based nature of seniors housing demand is anticipated to insulate fundamentals from macro headwinds. The aging of the population, as evidenced by the growth in the 80 years and above age cohort, is expected to serve as a significant demand driver for seniors housing through the remainder of the decade, with a compound annual growth rate in that age cohort in excess of 4% through 2030.[7] New supply is below historical averages.
- In data centers, data growth facilitating the digital economy and new technologies, including artificial intelligence (AI), continues to provide a robust backdrop for new demand. New supply is more limited than in the past, given power availability challenges, which has resulted in a favorable environment for landlords to increase rents. These power availability challenges are anticipated to remain a critical issue going forward, and advancements in AI are proving to be an incremental demand driver to the sector.

In Europe, we see many similar trends unfolding.

- In office, the WFH impact on the Continent is expected to be more modest than in the U.S. or U.K. Landlords on the Continent are reporting rising tenant demand, particularly for higher quality stock, supported by improving return-to-office levels. Similar to the U.S., London office tenant demand is increasingly pointing to a bifurcated market, with "green," best-in-class space significantly outperforming the broader office market.
- In retail, the Continent's traffic and retail sales are not far off pre-pandemic levels, although secular challenges remain. In the U.K., further deterioration in shopping center rents and values is anticipated, but there are signs of stabilization for retail parks. While we favor nondiscretionary and convenience-oriented retail landlords, we are increasingly favorable on discretionary landlords given strong fundamentals stemming from the resilient consumer and the lack of new supply.
- Industrial demand remains robust, as onshoring, logistics and supply chain remain front of mind and low vacancy continues to drive up rental growth, amid a very low new supply environment. As in the U.S., tenants are taking longer to make new leasing decisions; however, demand continues to remain favorable.

In Asia:

- In Japan, global capital continues to be attracted to Tokyo office assets. Demand for office remains strong and despite new supply, vacancy has recently begun to fall, with the vacancy rates already among the lowest among global cities. In Japan hotels, the reopening of international borders and a weaker yen supporting domestic travel have led to improving sentiment toward the sector, and cash flows are expected to improve significantly. Additionally, Japan residential is expected to benefit from increasing wage growth.
- In Australia office and for-sale residential, fundamentals are challenged; however, the nascent sector of rental housing is performing well. In Australia retail, while secular challenges remain, capital values appear to have bottomed, and cash flows and occupancies are recovering. Central business district retail is likely to be under pressure for some time due to the fall in international travel as well as WFH policies that have led to fewer office workers visiting these retail establishments. Across the real estate spectrum, transaction volumes and pricing in Australia are beginning to stabilize, but a downward bias still exists.
- In China, fundamentals remain below trend. Uncertainty regarding government policies, balance sheet and solvency issues, and geopolitical relationships with Western countries remain front of mind and continue to warrant an elevated level of scrutiny.
- In Hong Kong, geopolitical risks remain a concern. However, pent-up demand for discretionary goods from mainland China is expected to be strong, as travel and mobility increase, and will be supportive for retail demand in the country.

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

Fund Facts

Launch date	31 October 2006
Base currency	U.S. dollars
Benchmark	Custom- Blended Benchmark

Calendar Year Returns (%)

Past performance is not a reliable indicator of future results.

	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class I Shares	-2.97	10.75	-25.89	22.58	-12.66	18.18	-9.15	13.97	-0.47	-1.40	11.07
Blended Benchmark	-4.03	9.67	-25.09	23.43	-7.59	22.02	-6.42	15.34	1.66	-0.18	11.91

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 units. The sources for all performance and Index data is Morgan Stanley Investment Management. **Please visit our website www.morganstanley.com/im to see the latest performance returns for the fund's other share classes.**

[7] Source: U.S. Census Bureau.

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.
- There are additional risks associated with investing in real estate.
- 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. All data as of 31 May 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 official language of your local jurisdiction at morganstanleyinvestmentfunds.com or free of charge from the Registered Office of Morgan Stanley Investment Funds, 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.

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 relevant UCITS rules.

INDEX INFORMATION

The **FTSE EPRA Nareit Developed Net Total Return Index** is a free float-adjusted market capitalization weighted index designed to reflect the stock performance of companies engaged in specific aspects of the major real estate markets/regions of the developed world.

The Blended Index performance shown is calculated using the FTSE EPRA Nareit Equally Weighted Between North American, European and Asian Regions Index from inception through 30 November 2007, then the FTSE EPRA Nareit Developed Real Estate (Net) Equally Weighted Between North American, European and Asian Regions Index from 1 December 2007 through 31 March 2021 and the FTSE EPRA Nareit Developed Net Total Return Index thereafter.

The **FTSE EPRA Nareit North America Net Total Return Index** is a subset of the FTSE EPRA Nareit Developed Net Total Return Index and is a free float-adjusted market capitalization weighted index composed of listed real estate securities in the North American (U.S. and Canada) real estate markets.

The **FTSE EPRA Nareit Developed Asia Net Total Return Index** is a subset of the FTSE EPRA Nareit Developed Net Total Return Index and is a free float-adjusted market capitalization weighted index composed of listed real estate securities in the Asian real estate markets.

The **FTSE EPRA Nareit Developed Europe Net Total Return Index** is a subset of the FTSE EPRA Nareit Developed Net Total Return Index and is a free float-adjusted market capitalization weighted index composed of listed real estate securities in the European real estate markets.

The **MSCI World Net Index** is a free float adjusted market capitalization weighted index that is designed to measure the global equity market performance of developed 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.

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, MSIM materials are 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, MSIM materials are issued by Morgan Stanley Investment Management Limited (MSIM Ltd) is authorised 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 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.

Italy: MSIM FMIL (Milan Branch), (Sede Secondaria di Milano) Palazzo Serbelloni Corso Venezia, 16 20121 Milano, Italy. **The Netherlands:** MSIM FMIL (Amsterdam Branch), Rembrandt Tower, 11th Floor Amstelplein 1 1096HA, Netherlands. **France:** MSIM FMIL (Paris Branch), 61 rue de Monceau 75008 Paris, France. **Spain**: MSIM FMIL (Madrid Branch), Calle Serrano 55, 28006, Madrid, Spain. **Germany:** MSIM FMIL Frankfurt Branch, Grosse Gallusstrasse 18, 60312 Frankfurt am Main, Germany (type: branch office (FDI) pursuant to Section 53b KWG).

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. Telephone: +97 (0)14 709 7158).

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. **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.

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.

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. 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.

IMPORTANT INFORMATION

EMEA: This marketing communication has been issued by MSIM Fund Management (Ireland) Limited ("FMIL"). MSIM 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.

This material contains information relating to the sub-funds of Morgan Stanley Investment Funds, a Luxembourg domiciled Société d'Investissement à Capital Variable. Morgan Stanley Investment Funds (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-fund 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. 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. 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.

The views and opinions and/or analysis expressed are those of the the investment team as of the date of preparation of this material and are subject to change at any time without notice due to market or economic conditions and may not necessarily come to pass. Furthermore, the views will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date of publication. The views expressed do not reflect the opinions of all investment personnel at Morgan Stanley Investment Management (MSIM) and its subsidiaries and affiliates (collectively "the Firm"), and may not be reflected in all the strategies and products that the Firm offers.

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.

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.

The information contained in this communication is not a research recommendation or 'investment research' and is classified as a

'Marketing Communication' in accordance with the applicable European or Swiss regulation. This means that this marketing communication (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research (b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

MSIM 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.

This material may be translated into other languages. Where such a translation is made this English version remains definitive. If there are any discrepancies between the English version and any version of this material in another language, the English version shall prevail.