A Sub-Fund of Morgan Stanley Investment Funds

Global Endurance Fund

COUNTERPOINT GLOBAL

Performance Review

In the three month period ending 31 December 2024, the Fund's Z shares returned -3.57% (net of fees)[1], while the benchmark returned -0.99%.

This brings year-to-date returns for the Fund (Z shares net of fees) to 0.15% versus the benchmark, which returned 17.49%.

Market Review

Global equities, as measured by the MSCI All Country World Index, declined quarter-to-date. Materials, Health Care and Real Estate underperformed the benchmark, while Consumer Discretionary, Communication Services and Information Technology outperformed the benchmark.

While equities rallied sharply in November following the U.S. presidential election results and expectations of stronger economic growth and an improved regulatory environment, markets sold off in December largely in response to the Federal Reserve (Fed) pivoting in a more hawkish direction. Nevertheless, equity markets posted strong returns for the full year. The MSCI All Country World Index ended the year up 17.49% while the S&P 500 Index was up +25.02%.

Portfolio Activity

From a sector perspective, security selection within Utilities and Industrials were the largest contributors to relative performance over the quarter. From a company perspective, **Tesla** and **Bill.com** were two top contributors to quarterly performance.

Tesla is a leading designer, developer, and manufacturer of electric vehicles, robotics, energy generation and storage, and is the world leader in real world (or vision-based) artificial intelligence (AI). Tesla's advanced technology and vertically integrated manufacturing techniques enable the company to produce automobiles and batteries at a lower cost than many of its competitors. We believe several positive catalysts drove the company's strong performance over the quarter, including better-than-expected gross profit margins across its auto and energy business, as well as the announcement of its lower-priced vehicle model, which is expected to launch later this year. Additionally, the expectation of reduced regulation under the incoming U.S. administration improved investor sentiment, particularly towards commercialization of Tesla's Full Self-Driving (FSD) technology. We continue to believe that Tesla is potentially one of the biggest and most differentiated beneficiaries of the commercialization of AI and we believe the company's unique positioning within automation creates additional attractive optionality.

BILL Holdings, Inc. is a financial software platform that facilitates real-time digital payments between small and medium-sized businesses (SMB) and their customers. The company is poised to benefit as a growing number of SMBs look to automate manual, paper-based processes to improve the efficiency, accuracy, and risk profile of their financial operations. Bill was a contributor over the period driven primarily by a combination of better-than-expected results, progress across key company initiatives and improving confidence in the SMB macro trends post-election. During the quarter BILL reported better-than-expected results driven by resilient volumes and traction on self-help initiatives. The company also put out a favorable guide for next quarter and raised the outlook for the full year 2025.

These gains were partially offset by security selection in Health Care and Consumer Discretionary, which detracted from performance. From a company perspective, two of the largest detractors over the period were **Victoria, PLC.** and **Delivery Hero.**

Top 10 position **Victoria** is a vertically integrated designer, manufacturer and distributor of flooring products such as carpets, tiles and artificial grass in the U.K., Europe and Australia. Over the past decade, the company has strengthened its distribution network and acquired high-quality and resilient businesses in a fragmented industry. The company continues to face some near-term economic headwinds driven by weaker consumer demand, which is expected to remain subdued through 2025. However, we believe strong operational fundamentals are in place and as housing transactions and home improvement activity rebounds, we expect Victoria's productivity improvements over the last 24 months to be reflected in the company's earnings. Until this occurs, management remains focused on minimizing controllable costs, driving market share gains, and completing integration projects to further drive improvements in operating margins.

Additionally, we believe the share price is being significantly impacted in the near term due to concerns about the company's debt load. We do not believe the company has an immediate liquidity problem as it has significant cash on hand and an undrawn revolving credit line. The Board has noted it is "actively assessing the various options it has available to refinance Victoria's debt and the preferred shares." However, it is important to note that the first tranche of debt isn't due until 2026. The low cost of the

[1] Source: Morgan Stanley Investment Management Limited. Data as of 31 December 2024.

current debt and the anticipated improvement in the company's earnings lead us to believe the business is worth multiples of current trading price. We continue to believe the company can tackle the near-term headwinds, and the long-term sector fundamentals remain strong. We continue to monitor the situation closely but maintain strong conviction in the company's leadership and their operational execution.

Delivery Hero is the world's leading local delivery platform, operating its service in around 70 countries across Asia, Europe, Latin America, the Middle East and Africa. Founder-run, the company started as a food delivery service in 2011 and today runs its own delivery platform on four continents, building a durable data advantage in key markets. The company's shares fell over the quarter due to several factors, including an underwhelming IPO of its Middle Eastern business Talabat, regulatory hurdles blocking the sale of Foodpanda in Taiwan, and cost pressures from transitioning delivery riders to employee status in Spain. Despite these setbacks, the Talabat IPO, which raised $2 billion but saw an approximately 7% drop on its debut, significantly strengthens Delivery Hero's financial position in a high-growth and high-margin market. With its leading market positions across key markets, disciplined execution and leadership focused on operational optimization, we believe Delivery Hero is well equipped to capitalize on enduring demand for food delivery driven by an ongoing shift in consumer behavior.

With regard to portfolio positioning and composition, while we are long-term investors, the companies we own today are perennially competing for space in the portfolio with ones we do not. We remain committed to searching for exceptional companies, at the right price. We continue to reassess the competitive advantages and qualitative characteristics of the businesses we own. Strength of the customer value proposition, growth profile and earning power, the track record of management team, and short- and long-term capital needs remain primary concerns when evaluating companies.

The portfolio continues to be concentrated in our best ideas – 31 to be precise, with the top 10 companies accounting for 52.4% of the portfolio. We seek management teams with a strong track record of operational execution, a high level of integrity and an alignment of incentives. As a result, many companies we identify tend to be founder-led or owner-operated. As of 31 December 2024, 76.4% of the portfolio was comprised of these types of companies.

Strategy and Outlook

As a team, we have never maintained a market outlook, and we believe that basing investment decisions on macro forecasts can be a futile exercise. Instead, our approach focuses on investing with a high hurdle rate in every environment. We believe that time spent understanding a specific company's fundamentals has higher odds of success than predicting various macroeconomic data points, as fundamentals drive long-term returns. Importantly, the fundamental results across portfolio holdings have largely remained in line with our expectations. Additionally, most of our holdings still have low levels of market penetration and operate in large and growing end markets. This leads to a solid outlook in terms of revenue growth and free cash flow generation in the coming years, and we therefore remain confident in the long-term prospects for these businesses and see a path to attractive return potential for the portfolio on an annualized basis.

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

Fund Facts

Launch date	30 August 2019
Base currency	U.S. dollars
Benchmark	MSCI All Country World Net Index

Calendar Year Returns (%)

Past performance is not a reliable indicator of future results.

	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Class Z Shares	0.15	0.15	63.84	-67.14	11.92	107.22	--	--	--	--	--
MSCI All Country World Net Index	17.49	17.49	22.20	-18.36	18.54	16.25	--	--	--	--	--

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

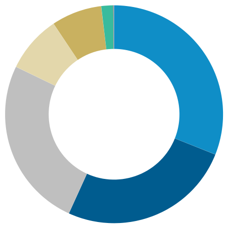
- The fund may be impacted by movements in the exchange rates between the fund's currency and the currencies of the fund's investments.
- The fund relies on other parties to fulfill certain services, investments or transactions. If these parties become insolvent, it may expose the fund to financial loss.
- Sustainability factors can pose risks to investments, for example: impact asset values, increased operational costs.
- There may be an insufficient number of buyers or sellers which may affect the funds ability to buy or sell securities.
- Investment in China A-Shares via Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programs may also entail additional risks, such as risks linked to the ownership of shares.
- There are increased risks of investing in emerging markets as political, legal and operational systems may be less developed than in developed markets.
- Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. The value of investments and the income from them can go down as well as up and investors may lose all or a substantial portion of his or her investment.
- The value of the investments and the income from them will vary and there can be no assurance that the Fund will achieve its investment objectives.
- Investments may be in a variety of currencies and therefore changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Furthermore, the value of investments may be adversely affected by fluctuations in exchange rates between the investor's reference currency and the base currency of the investments.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 31.12.2024 and subject to change daily.

Top Holdings (% of Total Net Assets)[4]

	FUND	INDEX
Victoria Plc	9.62	--
Appian Corp	9.56	--
Babcock International Group Plc	4.59	--
Talen Energy Corp	4.48	--
Lithia Motors Inc	4.34	--
Tesla Inc	4.29	1.50
Avadel Pharmaceuticals plc	4.13	--
Vistra Corp	3.98	0.06
Global-E Online Ltd	3.83	0.01
Delivery Hero SE	3.60	0.01
Total	**52.42**	--

Sector Allocation (% of Total Net Assets)[2,3]



	FUND	INDEX
Consumer Discretionary	31.03	11.34
Health Care	25.78	9.67
Information Technology	25.37	25.98
Utilities	8.46	2.50
Industrials	7.47	10.23
Financials	1.78	16.80
Communication Services	--	8.24
Consumer Staples	--	5.92
Energy	--	3.82
Materials	--	3.46
Real Estate	--	2.04
Cash	0.11	--

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 language of countries authorized for fund distribution and is available online at Morgan Stanley Investment Funds Webpages or free of charge from the Registered Office at European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxemburg B 29 192.

The summary of investor rights is available in the aforementioned languages and website location under the General Literature section.

Information in relation to sustainability aspects of the Fund is available in English online at: Sustainable Finance Disclosure Regulation.

If the management company of the relevant Fund decides to terminate its arrangement for marketing that Fund in any EEA country where it is registered for sale, it will do so in accordance with the UCITS rules.

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2 May not sum to 100% due to the exclusion of other assets and liabilities.
3 For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.
4 These securities and percentage allocations are only for illustrative purposes and do not constitute, and should not be construed as, investment advice or recommendations with respect to the securities or investments mentioned.

The use of leverage increases risks, such that a relatively small movement in the value of an investment may result in a disproportionately large movement, unfavourable as well as favourable, in the value of that investment and, in turn, the value of the Fund.

Investment in the Fund concerns the acquisition of units or shares in a fund, and not in a given underlying asset such as building or shares of a company, as these are only the underlying assets owned.

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

INDEX INFORMATION

The **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.

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The **Standard & Poor's 500® Index (S&P 500®)** measures the performance of the large cap segment of the U.S. equities market, covering approximately 80% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy.

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