

Morgan Stanley Investment Funds

Euro Corporate Bond Fund

Investment objective

Seeks to provide an attractive rate of relative return, measured in euro, through investment primarily in high quality issues of euro denominated fixed income securities, issued by corporations and other non-government related issuers (corporate bonds).

Share Class I Risk and Reward profile



The higher the category (1 - 7), the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk free investment.

Download the fund's Key Investor Information document for share class tailored risk ratings and warnings at: www.morganstanleyinvestmentfunds.com

Class I shares vs. benchmark^{1,2}

Performance of 100 Euro invested since inception



Returns in Euro vs. benchmark^{1,2}

Fund (net of fees) %

Period	I	A	B	Index	AD	BD
One month	2.47	2.43	2.36	1.68	2.37	2.28
Last three months	2.88	2.77	2.51	3.00	1.19	0.95
YTD	5.79	5.54	4.93	5.82	2.33	1.77
One year	4.80	4.36	3.33	5.60	0.64	(0.34)
Three years (ann.)	5.28	4.84	3.80	4.98	1.59	0.60
Five years (ann.)	6.33	5.88	4.83	5.56	2.51	1.51
Ten years (ann.)	5.22	4.77	3.73	4.75	-	-
Since inception (ann.)	5.12	n/a	n/a	5.00	n/a	n/a

% 12 month returns

31.07.15 - 31.07.16	4.80	4.36	3.33	5.60	0.64	(0.34)
31.07.14 - 31.07.15	2.47	2.03	1.03	2.55	(0.43)	(1.44)
31.07.13 - 31.07.14	8.65	8.22	7.13	6.83	4.63	3.65
31.07.12 - 31.07.13	10.19	9.71	8.63	5.87	9.57	8.54
31.07.11 - 31.07.12	5.71	5.23	4.20	7.02	(1.45)	(2.48)

Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. 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.

Morningstar Overall Rating

Class I shares



EUR Corporate Bond

Out of 839 Funds. Based on Risk Adjusted Return.

Fund facts

Fund launch	September 2001
Investment team	Richard Ford, Leon Grenyer, Alice La Trobe Weston
Location	London
Base currency	Euro
Benchmark	Barclays Euro-Aggregate: Corporate Index
Total assets	€ 3.6 billion
NAV Class I	€ 52.60

Portfolio characteristics

	Fund	Index
Duration	4.59	5.35
Average yield to maturity	1.55	0.66
Number of holdings	383	1843

The ZD & AD share classes' Duration are hedged close to zero, as opposed to the Fund and benchmark's actual Duration.

Geographic distribution (% of Total Net Assets)

	Fund
United Kingdom	15.34
France	12.81
U.S.	12.75
Netherlands	8.24
Spain	7.11
Germany	6.98
Italy	6.28
Australia	5.18
Belgium	3.87
Other	18.89
Cash & equivalents	2.53
Total	100.00

Sector distribution (% of Total Net Assets)

	Fund
Financial	48.98
Consumer, Non-Cyclical	12.45
Utilities	9.51
Energy	6.19
Communications	5.28
Industrial	5.05
Consumer, Cyclical	4.18
Basic Materials	4.15
Technology	1.36
Other	1.13
Cash & equivalents	1.71
Total	100.00

Quality distribution (% of Total Net Assets) ³	Fund
AAA	0.78
AA	7.59
A	37.07
BBB	48.32
BB	1.75
B	0.31
Not Rated	1.62
Cash	2.57
Total	100.00

Statistics (Class I shares)	Fund
Alpha	0.30
Beta	1.13
R squared	0.80
Information ratio	0.20
Tracking error	1.54
Fund volatility (Standard deviation)	3.37
Index volatility (Standard deviation)	2.66

Based on monthly observations, annualised over last 3 years.

Charges	Z	I	A	AD	B	BD
Ongoing charges % ⁴	0.64	0.68	1.10	1.10	2.10	2.10
Management Fee %	0.45	0.45	0.80	0.80	0.80	0.80

Share Class	CCY	ISIN	Bloomberg	Launch
A	EUR	LU0132601682	MORECAI LX	04.09.2001
AD	EUR	LU0518378863	MSEUCAD LX	15.09.2010
ADX	EUR	LU0518378947	MSECADX LX	15.09.2010
AH (USD)	USD	LU1112651192	MSECAHU LX	18.09.2014
AX	EUR	LU0239680886	MORECAX LX	06.07.2009
B	EUR	LU0132602227	MORECBI LX	04.09.2001
BD	EUR	LU0518377113	MSEUCBD LX	15.09.2010
BDX	EUR	LU0518377386	MSECBDX LX	15.09.2010
BH (USD)	USD	LU0928960219	MSECBH LX	13.05.2013
BX	EUR	LU0594834128	MSECBX LX	16.05.2011
C	EUR	LU0176164985	MSECBDC LX	28.07.2008
CD	EUR	LU0518377469	MSEUCD LX	22.10.2010
F	EUR	LU1244750078	MSECBFF LX	30.09.2015
FX	EUR	LU1244750581	MSECBFX LX	30.09.2015
I	EUR	LU0132602656	MORECII LX	04.09.2001
ID	EUR	LU0518379085	MSECID LX	23.01.2013
IH (USD)	USD	LU1112656829	MSECIH LX	18.09.2014
IX	EUR	LU0239681009	MORECIX LX	08.10.2013
S	EUR	LU0390558301	MSECBNS LX	28.01.2010
Z	EUR	LU0360483100	MSECBZ LX	20.06.2008
ZD	EUR	LU0518379242	MSECZD LX	15.09.2010
ZOX	EUR	LU0888980280	MSECZOX LX	15.02.2013

Footnotes

Publication date: 15 August 2016.

¹ See the 'Share Class' section for inception date(s).

² The benchmark for the Fund is a blend of the MSCI ECCI Index to 31 May 2007 and Barclays Euro-Aggregate Corporate Index thereafter. The benchmark is calculated by geometrically chain-linking the monthly returns.

³ Quality distribution data for securities is sourced from Fitch, Moody's and S&P. Where the credit ratings for individual securities differ between the three ratings agencies, the 'highest' rating is applied. The rating of credit default swaps is based on the 'highest' rating of the underlying reference bond. 'Cash' includes investments in short term instruments, including investments in Morgan Stanley liquidity funds.

⁴ The Ongoing Charges Figure ("OCF") reflects the payments and expenses which cover aspects of operating the fund and is deducted from the assets over the period. It includes fees paid for investment management, trustee/custodian, and administration charges.

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The source for all performance and index data is Morgan Stanley Investment Management Limited. Calculations are NAV to NAV. Performance is quoted net of fees and with income reinvested.

For cash management purposes the Fund may invest in shares in the Liquidity Funds of Morgan Stanley Liquidity Funds.

Morningstar

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