

# Morgan Stanley Investment Funds

## Global Property Fund

31 March 2014

### INVESTMENT OBJECTIVE

Seeks to provide long term capital appreciation, measured in US dollars, primarily through investment in the equity securities of companies in the real estate industry located throughout the world.

### INVESTMENT PROCESS

- The Fund is actively managed as three regional separate accounts based upon our long-term, value-oriented, bottom-up driven investment strategy, which utilizes 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.
- A top-down global allocation seeks diversified exposure to all major asset classes with an overweighting to property markets that offer the best relative valuation.
- The bottom up security selection process employs a value driven approach, which focuses on underlying asset values, values per square foot and property yields.

### RETURNS IN U.S. DOLLARS VS. BENCHMARK<sup>1</sup>

Period	Fund (net of fees) %			
	Class I	Class A	Class B	Index
One month	(0.54)	(0.61)	(0.70)	(0.46)
Last three months	2.26	2.07	1.80	3.39
YTD	2.26	2.07	1.80	3.39
One year	5.50	4.72	3.67	5.96
Three years (annualised)	6.84	6.03	4.96	8.07
Five years (annualised)	22.18	21.28	20.07	22.39
Since inception (annualised)	1.35	n/a	n/a	1.36

#### 12 months to:

March 2014	5.50	4.72	3.67	5.96
March 2013	18.95	18.08	16.87	19.91
March 2012	(2.83)	(3.60)	(4.57)	(0.68)
March 2011	18.60	17.80	16.60	19.33
March 2010	88.26	86.87	85.10	82.34

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.

### CLASS I SHARES VS. BENCHMARK<sup>1</sup>

#### Performance of 100 U.S. dollars invested since inception



### Facts and figures

Fund launch	October 2006	Base currency	U.S. dollars
Investment team	Ted Bigman Sven van Kemenade Michiel te Paske Angeline Ho Bill Grant	Benchmark	FTSE EPRA/NAREIT Developed Real Estate (Net) Equally Weighted Between North American, European and Asian Regions Index
Location	New York/Amsterdam/ London/Singapore	Total assets NAV Class I	\$ 1.0 billion \$ 27.61

### Portfolio characteristics

	Fund
Yield	3.26
Number of holdings	156

### Top 10 holdings

	%
UNIBAIL-RODAMCO SE	4.36
SUN HUNG KAI PROPERTIES LTD	4.04
MITSUBISHI ESTATE CO. LTD	3.99
SIMON PROPERTY GROUP LP	3.86
MITSUMI FUDOSAN CO. LTD	3.60
LAND SECURITIES PLC	2.86
SUMITOMO REALTY AND DEVELOPMEN	2.84
BRITISH LAND CO. LTD	2.66
EQUITY RESIDENTIAL PROPERTIES	2.29
HOST HOTELS & RESORTS INC	2.19
<b>Total</b>	<b>32.69</b>

### Geographic distribution

	%
United States	27.74
Japan	14.84
United Kingdom	13.60
Hong Kong	12.15
France	7.14
Australia	6.41
Germany	3.44
Singapore	2.58
Switzerland	2.03
Other	8.58
Cash & equivalents	1.47
<b>Total</b>	<b>100.00</b>

### Industry distribution

	%
Diversified	36.42
Retail	27.63
Office	12.62
Residential	9.74
Industrial	3.52
Lodging/Resorts	3.06
Health Care	2.67
Self Storage	2.14
Mixed Industrial/Office	0.72
Cash & equivalents	1.47
<b>Total</b>	<b>100.00</b>

### Statistics (Class I shares)<sup>2</sup>

	%
Alpha	(1.23)
Beta	1.05
R squared	0.98
Information ratio	(0.47)
Tracking error	2.63
Fund volatility (Standard deviation)	18.02
Index volatility (Standard deviation)	16.99

Publication date: 14 April 2014.

<sup>1</sup> Launch date of Class I, Class A and Class B shares was October 2006.

<sup>2</sup> Based on monthly observations, annualised over last 3 years.

Please refer to the back cover for important information.

Charges	Class Z	Class I	Class A	Class B
Management Fee %	0.85	0.85	1.50	1.50
TER %	1.03	1.07	1.81	2.83

#### TICKER CODES

Class	Currency	ISIN Code	Bloomberg
A	USD	LU0266114312	MORGPRAX LX
AH	EUR	LU0552900242	MSGPYAH LX
B	USD	LU0266114585	MORGPRB LX
BH	EUR	LU0341470432	MORGPBH LX
C	USD	LU0362497223	MSGPROC LX
CH	EUR	LU0552900325	MSGPYCH LX
I	USD	LU0266114668	MORGPRI LX
IX	USD	LU0266115475	MORGPIX LX
Z	USD	LU0360485493	MORGPRZ LX

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The sources for all performance and index data are Morningstar and 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.