

# Morgan Stanley Investment Funds

## Global Mortgage Securities Fund

### Investment objective

Seeks to provide an attractive rate of total return, measured in U.S. dollars, through investment primarily in fixed income securities that are mortgage-backed securities, commercial mortgage-backed securities, collateralized mortgage obligations and covered bonds that are covered by mortgages (mortgage backed securities).

### Share Class Z Risk and Reward profile

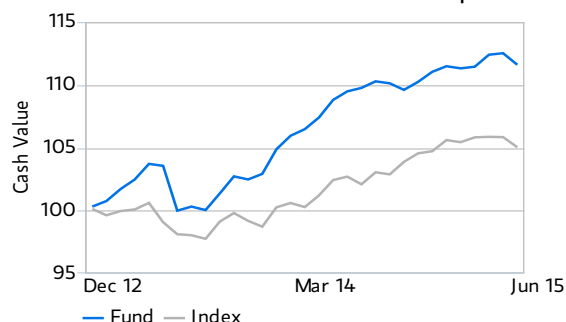


The higher the category (1 - 7), the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk free investment.

Download the fund's Key Investor Information document (KII) for share class tailored risk ratings and warnings at: [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com)

### Class Z shares vs. benchmark<sup>1</sup>

Performance of 100 U.S. dollars invested since inception



### Returns in U.S. dollars vs. benchmark<sup>1</sup>

Fund (net of fees) %

Period	Z	A	B	Index
One month	(0.82)	(0.87)	(0.96)	(0.76)
Last three months	0.14	0.00	(0.22)	(0.74)
YTD	0.50	0.22	(0.26)	0.31
One year	1.94	1.33	0.30	2.28
Since inception (annualised)	4.36	n/a	n/a	1.93

### 12 months to:

June 2015	1.94	1.33	0.30	2.28
June 2014	9.48	8.83	7.67	4.66

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.

### Fund facts

<b>Fund launch</b>	December 2012
<b>Investment team</b>	Greg Finck, Neil Stone
<b>Location</b>	New York
<b>Base currency</b>	U.S. dollars
<b>Benchmark</b>	Barclays U.S. Mortgage Backed Securities (MBS) Index
<b>Total assets</b>	\$ 249.8 million
<b>NAV Class Z</b>	\$ 27.90

### Portfolio characteristics

	Fund	Index
Duration	3.60	4.62
Average Quality	BB	AAA/AA1
Average yield to maturity	6.16	2.36

### Sector distribution

	%
CMBS	19.96
Non-Agency Alt-A	18.17
Agency Pass-Through	16.16
Non-Agency Subprime	12.21
Agency IO/IIIO	11.91
Non-Agency Prime	8.67
Non-Agency Other	6.63
ABS	2.26
Agency Inverse Floater	2.10
Other	2.55
Cash & equivalents	(0.62)
<b>Total</b>	<b>100.00</b>

### Quality distribution<sup>2</sup>

	%
AAA	36.93
AA	3.74
A	3.59
BBB	10.65
BB	10.42
B	7.41
CCC	15.67
CC	2.62
D	0.92
NR	8.62
Cash	(0.57)
<b>Total</b>	<b>100.00</b>

### Geographic distribution

	%
U.S.	101.10
Ireland	3.59
Italy	1.97
Germany	0.63
Netherlands	0.51
Portugal	0.50
Greece	0.48
United Kingdom	0.17
EMU	(8.69)
Cash & equivalents	(0.26)
<b>Total</b>	<b>100.00</b>

### Charges

	Z	A	B
Ongoing charges % <sup>3</sup>	0.69	1.30	2.30
Management Fee %	0.50	1.00	1.00

Share Class	CCY	ISIN	Bloomberg	Launch
A	USD	LU0858068074	MSGMSCA LX	03.12.2012
AH (EUR)	EUR	LU0858068660	MSGMSAH LX	03.12.2012
AX	USD	LU0885074285	MSGMSAX LX	01.02.2013
B	USD	LU0858081689	MSGMSCB LX	03.12.2012
BH (EUR)	EUR	LU0858081929	MSGMSBH LX	03.12.2012
BHR	EUR	LU0857971310	MSGMBHR LX	03.12.2012
BHX	EUR	LU0858082067	MSGMBHX LX	03.12.2012
C	USD	LU0858081846	MSGMSCC LX	03.12.2012
CH	EUR	LU0858082224	MSGMSCH LX	03.12.2012
CHX	EUR	LU0858082497	MSGMCHX LX	03.12.2012
CX	USD	LU0885077387	MSGMSCX LX	01.02.2013
I	USD	LU0858068231	MSGMSCI LX	03.12.2012
IH	EUR	LU0905737051	MSGMSIH LX	25.04.2013
IHX	EUR	LU0905733811	MSGMIHX LX	25.04.2013
Z	USD	LU0858068314	MSGMSCZ LX	03.12.2012

#### Footnotes

Publication date: 16 July 2015.

<sup>1</sup> See the 'Share Class' section for inception date(s).

<sup>2</sup> 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.

<sup>3</sup> 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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Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. The value of the investments and the income from them can go down as well as up and an investor may not get back the amount invested. There are additional risks involved with this type of investment. Please refer to the Prospectus and relevant Key Investor Information for full risk disclosure.

This Financial Promotion has been issued and approved in the UK by Morgan Stanley Investment Management Limited, 25 Cabot Square, Canary Wharf, London E14 4QA, authorised and regulated by the Financial Conduct Authority.

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This communication is only intended for and will only be distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations. In particular, the Shares are not for distribution in the United States or to US persons.

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.

Applications for shares in Morgan Stanley Investment Funds should not be made without first consulting the current Prospectus, Key Investor Information Document (KIID), Annual Report and Semi-Annual Report ('Offering Documents'), or other documents available in your local jurisdiction, which are available free of charge from the Registered Office: European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg 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, Key Investor Information Document, 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'île, 1204 Geneva.

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.