

# Morgan Stanley Investment Funds

## Global Advantage Fund

31 May 2013

### INVESTMENT OBJECTIVE

Seeks long term capital appreciation, measured in US Dollars, by investing primarily in securities issued by companies from both developed and emerging markets.

### INVESTMENT PROCESS

- We seek to invest in established franchise companies with sustainable competitive advantages. Valuation focuses on current period free cash flow yields, which are typically at or above the market.
- We find these companies through a bottom-up stock selection process, focusing on franchise companies with rising returns on invested capital, above average business visibility, strong free cash flow generation and an attractive risk/reward profile.
- We have a long-term investment horizon. The portfolio will hold between 40 and 60 names, and turnover typically will be less than 50%.

### Facts and figures

Launch date	January 2013	Base currency	U.S. dollars
Fund manager	Dennis Lynch David Cohen Sam Chainani Alexander Norton Jason Yeung Armistead Nash	Benchmark	MSCI All Countries World (Net) Index
		Total assets	\$ 2.1 million
		NAV Class Z	\$ 25.76
Location	New York		

Charges	Class Z	Class A	Class B
Management Fee %	0.90	1.60	1.60

### FUND TICKER CODES

Class	Currency	ISIN Code	Bloomberg
A	USD	LU0868753731	MSIFGUA LX
B	USD	LU0868753905	MSIFGUB LX
C	USD	LU0868754036	MSIFGUC LX
I	USD	LU0868754119	MSIFGUI LX
Z	USD	LU0868754200	MSIFGUZ LX

### Portfolio characteristics

	Fund	Index
P/CF	12.57	9.37
P/BV	2.70	1.91
P/E	20.79	15.94
Yield	1.66	2.62
Number of holdings	37	2427

### Top 10 holdings

	%
GOOGLE INC CL A	5.55
AMAZON.COM INC	5.26
NESTLE S.A.	4.97
CHRISTIAN DIOR S.A.	4.58
FACEBOOK INC	4.51
EDENRED	4.14
EURAZEO	3.86
JARDINE MATHESON HOLDINGS LTD	3.82
VISA INC	2.87
STARBUCKS CORP	2.78
<b>Total</b>	<b>42.34</b>

### Sector distribution

	%
Consumer Discretionary	32.77
Information Technology	20.31
Financials	14.15
Consumer Staples	13.01
Industrials	12.23
Energy	0.10
Cash & equivalents	7.44
<b>Total</b>	<b>100.00</b>

Publication date: 14 June 2013.

Please refer to the back cover for important information.

#### Important information

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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 Funds plc.