

Morgan Stanley Investment Funds

European Fixed Income Opportunities Fund - Z Shares

(Accumulation Share Class)

Investment Objective

The fund's objective is to generate income and the long term growth of your investment, as measured in Euro.

Investment Approach

Seeks to provide an attractive level of total return, measured in euros, by investing primarily in euro-denominated securities of corporate, government and government-related issuers, across a spectrum of fixed income asset classes, including high-yield bonds, investment-grade bonds, mortgage-backed securities, convertibles and currencies.

Investment Team

| | JOINED FIRM | YEARS OF INVESTMENT EXPERIENCE |
|--|-------------|--------------------------------|
| Leon Grenyer, Managing Director | 2002 | 24 |
| Richard Ford, Managing Director | 1991 | 29 |
| Michael B. Kushma, Chief Investment Officer of Global Fixed Income | 1987 | 32 |
| Richard Class, Managing Director | 2009 | 20 |

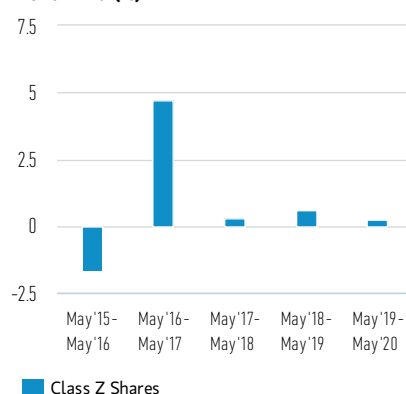
Team members may be subject to change at any time without notice.

Class Z Shares (% net of fees) in EUR

Performance of 100 EUR Invested Since Inception (Cash Value)



12 Month Performance Periods to Latest Month End (%)



Investment Performance (% net of fees) in EUR

| | Cumulative (%) | | | | Annualised (% p.a.) | | | |
|----------------|----------------|-------|-------|------|---------------------|------|-------|-----------|
| | 1 M | 3 M | YTD | 1 YR | 3 YR | 5 YR | 10 YR | INCEPTION |
| Class Z Shares | 1.64 | -2.09 | -2.31 | 0.23 | 0.38 | 0.82 | -- | 1.13 |

Calendar Year Returns (%)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|----------------|------|-------|------|------|------|------|------|
| Class Z Shares | 5.09 | -3.64 | 4.62 | 2.06 | 0.48 | -- | -- |

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. The sources for all performance and Index data is Morgan Stanley Investment Management.

The investment team do not target a benchmark index when managing the portfolio.

Effective 30th August 2019, the Morgan Stanley Investment Funds Absolute Return Fixed Income Fund was renamed to Morgan Stanley Investment Funds European Fixed Income Opportunities Fund. Please refer to the fund's prospectus for further information on these changes.

Investors should read the Key Investor Information Document and Prospectus before investing.



MORNINGSTAR OVERALL RATING*

EAA FUND GLOBAL FLEXIBLE BOND - EUR HEDGED

CLASS Z SHARES

Out of 578 Funds. Based on Risk Adjusted Return. Class Z Shares: 3yr. rating 4 Stars; 5yr. rating 4 Stars.

Share Class

| | CLASS Z |
|-----------------|-------------------|
| Currency | Euro |
| ISIN | LU1109965860 |
| Bloomberg | MSARFXZ LX |
| Inception date | 30 September 2014 |
| Net asset value | € 26.64 |

Fund Facts

| | |
|------------------|-------------------|
| Launch date | 30 September 2014 |
| Base currency | Euro |
| Total net assets | € 57.34 million |
| Structure | Luxembourg SICAV |

Charges (%)

| | CLASS Z |
|------------------|---------|
| Max Entry Charge | 1.00 |
| Ongoing Charges | 0.60 |
| Management Fee | 0.45 |

Entry Charge is a maximum possible figure. In some cases you might pay less, you can find this out from your financial adviser. Ongoing Charges reflect the payments and expenses incurred during the fund's operation and are deducted from the assets of the fund over the period. It includes fees paid for investment management (Management Fee), trustee/custodian, and administration charges. For more information please see the Charges and Expenses section of the prospectus.

Subscriptions (USD)

| | CLASS Z |
|-------------------------------|---------|
| Minimum initial investment | 0 |
| Minimum subsequent investment | 0 |

Characteristics

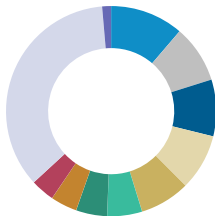
| | FUND |
|-------------------------------|------|
| Duration (years) | 4.56 |
| Average yield to maturity (%) | 2.74 |
| Number of holdings | 342 |

Sector Allocation (% of Total Net Assets)^{1,2}

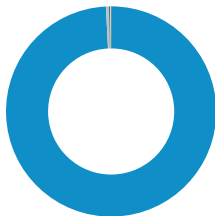
| | PORTFOLIO |
|-----------------------------|-----------|
| Treasuries | 11.21 |
| Sovereign | 8.94 |
| Government Related | 7.71 |
| Investment Grade Corporates | 41.20 |
| Industrial | 13.00 |
| Financial Institutions | 23.38 |
| Utility | 4.83 |
| High Yield Corporates | 12.18 |
| NR Corporates | 1.06 |
| Covered | 0.18 |
| Convertibles | 0.53 |
| Agency RMBS | 0.02 |
| Non-Agency RMBS | 10.01 |
| ABS | 2.07 |
| CMBS | 2.76 |
| Credit Default Swaps | -0.30 |
| Equity | 1.21 |
| Cash & Equivalents | 1.22 |

Top Countries (% of Total Net Assets)¹

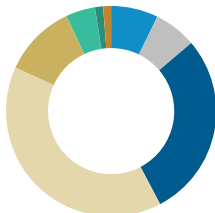
| | FUND |
|----------------|-------|
| Netherlands | 11.28 |
| U.S. | 8.87 |
| Spain | 8.73 |
| France | 8.65 |
| United Kingdom | 7.74 |
| Ireland | 5.37 |
| Germany | 4.79 |
| Italy | 4.10 |
| China | 3.66 |
| Other | 35.47 |
| Cash | 1.38 |

**Currency Allocation (% of Total Net Assets)¹**

| | FUND |
|-----------------------|--------|
| Euro | 100.99 |
| New Zealand Dollar | 0.49 |
| Indonesian Rupiah | 0.14 |
| Mexican New Peso | 0.07 |
| South Africa Rand | 0.06 |
| Russian Ruble | 0.04 |
| Chinese Yuan Renminbi | -0.01 |
| Swedish Krona | -0.04 |
| British Pound | -0.47 |
| Australian Dollar | -0.50 |
| Other | -0.78 |

**Quality Distribution (% of Total Net Assets)^{1,3}**

| | FUND |
|-----------|-------|
| AAA | 7.26 |
| AA | 6.52 |
| A | 28.52 |
| BBB | 39.51 |
| BB | 11.21 |
| B | 4.51 |
| Not Rated | 1.25 |
| Cash | 1.22 |

**Share Class Z Risk and Reward Profile**

Lower Risk

Higher Risk



Potentially Lower Rewards

Potentially Higher Rewards

The risk and reward category shown is based on historic data.

- Historic figures are only a guide and may not be a reliable indicator of what may happen in the future.
 - As such this category may change in the future.
 - The higher the category, the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk free investment.
 - The fund is in this category because it invests in fixed income securities and the fund's simulated and/or realised return has experienced medium rises and falls historically.
 - The fund may be impacted by movements in the exchange rates between the fund's currency and the currencies of the fund's investments.
- This rating does not take into account other risk factors which should be considered before investing, these include:
- The value of bonds are likely to decrease if interest rates rise and vice versa.
 - The value of financial derivative instruments are highly sensitive and may result in losses in excess of the amount invested by the Sub-Fund.
 - Issuers may not be able to repay their debts, if this happens the value of your investment will decrease. This risk is higher where the fund invests in a bond with a lower credit rating.
 - 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.
 - There may be an insufficient number of buyers or sellers which may affect the fund's ability to buy or sell securities.
 - Investment in Fixed Income Securities via the China Interbank Bond Market may also entail additional risks, such as counterparty and liquidity risk.
 - 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.

Additional Z Share Classes

| | CURRENCY | LAUNCH | ISIN | BLOOMBERG |
|----|----------|------------|--------------|------------|
| ZR | EUR | 30.08.2019 | LU2040189289 | MSARFZR LX |

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.

¹ May not sum to 100% due to the exclusion of other assets and liabilities.

² For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.

DEFINITIONS

Average yield to maturity measures the annual return on interest-bearing securities. In this it is assumed that they will be held to maturity. This metric includes both the coupon payments received during the term of the security and the repayment of the capital on maturity. **Bloomberg** stands for 'Bloomberg Global Identifier (BBGID)'. This is a unique 12 digit alphanumerical code designed to enable the identification of securities, such as the Morgan Stanley Investment Funds sub-funds at share class level, on a Bloomberg Terminal. The Bloomberg Terminal, a system provided by Bloomberg L.P., enables analysts to access and analyse real-time financial market data. Each Bloomberg code starts with the same BBG prefix, followed by nine further characters that we list here in this guide for each share class of each fund. **Cash & Equivalents** are defined as the value of assets that can be converted into cash immediately. These include commercial paper, open FX transactions, Treasury bills and other short-term instruments. Such instruments are considered cash equivalents because they are deemed liquid and not subject to significant risk of changes in values. **Duration** is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. **ISIN** is the international securities identification number (ISIN), a 12 digit code consisting of numbers and letters that distinctly identifies securities. **NAV** is the Net Asset Value per share of the Fund (NAV), which represents the value of the assets of a fund less its liabilities. **Number of holdings** provided are a typical range, not a maximum number. The portfolio may exceed this from time to time due to market conditions and outstanding trades.

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overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account sales loads.

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