

Morgan Stanley Investment Funds

US Growth Fund

31 January 2012

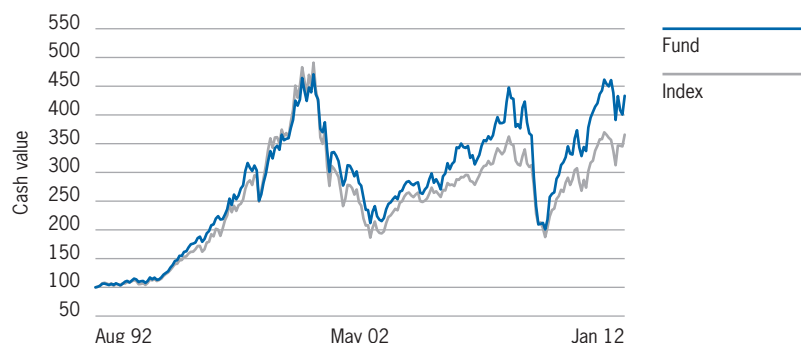
RETURNS VS. INDEX

Period	Fund (net of fees) %					
	(USD)				(EUR)	
	I	A	B	Index ¹	AH	Index ²
One month	8.17	8.10	8.04	5.95	8.04	5.90
Last three months	0.12	(0.10)	(0.32)	5.49	(0.29)	5.53
YTD	8.17	8.10	8.04	5.95	8.04	5.90
One year	3.12	2.33	1.32	5.59	1.37	5.31
Three years (annualised)	26.87	25.90	24.62	21.72	24.64	20.89
Five years (annualised)	3.61	2.80	1.77	2.71	0.69	1.40
Ten years (annualised)	3.60	2.84	1.82	2.98	-	-
Since inception (annualised)	7.80	n/a	n/a	6.80	n/a	n/a
12 months to:						
January 2012	3.12	2.33	1.32	5.59	1.37	5.31
January 2011	26.41	25.43	24.14	24.56	24.43	22.75
January 2010	56.65	55.46	53.89	37.11	53.53	36.68
January 2009	(44.05)	(44.49)	(45.04)	(36.70)	(46.83)	(37.87)
January 2008	4.50	3.67	2.64	0.16	0.53	(2.36)

Past performance is no indication of current or future performance. These performance data do not take account of commissions and costs incurred on the issue and redemption of units.

CLASS I SHARES VS. RUSSELL 1000 GROWTH NET 30% WITHHOLDING TAX TR INDEX³

Performance of 100 U.S. dollars invested since inception



Facts and figures		Statistics ⁵	Fund	Index
Launch date	August 1992	Alpha	5.15	-
Fund manager	Dennis Lynch	Beta	1.03	-
	David Cohen	R squared	0.81	-
	Sam Chainani	Information ratio	0.57	-
	Alexander Norton	Tracking error	9.05	-
	Jason Yeung	Standard deviation	20.50	17.80
	Armistead Nash			
Location	New York	ISIN Class I USD	LU0042381250	
Base currency	U.S. dollars	ISIN Class A USD	LU0073232471	
TER Class I ⁴	0.92%	ISIN Class AX USD	LU0239688517	
TER Class A ⁴	1.69%	ISIN Class B USD	LU0073232554	
Total assets	\$ 1.3 billion	ISIN Class C USD	LU0176155215	
NAV Class I \$	43.29	ISIN Class Z USD	LU0360477805	
		ISIN Class AH EUR	LU0266117414	
		ISIN Class BH EUR	LU0341473964	
		ISIN Class ZH EUR	LU0360477987	

Portfolio valuations	Fund	Index
P/CF	12.31	9.50
P/BV	3.36	3.84
P/E	20.11	15.91
Yield	0.71	1.54
Number of holdings	44	586

Top 10 holdings	%
APPLE INC	9.96
AMAZON.COM INC	8.09
GOOGLE INC CL A	5.92
MOTOROLA SOLUTIONS INC	4.06
BROOKFIELD ASSET MANAGE-CL A	3.79
INTUITIVE SURGICAL INC	3.66
MONSANTO CO.	3.41
EDENRED	3.22
BAIDU.COM	3.22
MEAD JOHNSON NUTRITION CO.	3.19
Total	48.52

Sector distribution	%
Technology	32.56
Consumer Discretionary	28.39
Health Care	11.11
Financial Services	11.00
Producer Durables	6.16
Materials & Processing	4.81
Energy	2.68
Cash & equivalents	3.30
Total	100.00

INVESTMENT OBJECTIVE

Seeks long term capital appreciation, measured in US Dollars, by investing primarily in securities issued by US companies and on an ancillary basis in securities issued by companies that are not from the US.

INVESTMENT PROCESS

- We seek to invest in established and emerging companies with sustainable competitive advantages. Valuation focuses on free cash flow yields three to five years in the future.
- We find these companies through a bottom-up stock selection process, focusing on 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 will typically be less than 50%.

Publication date: 14 February 2012.

¹ Launch date of Class I shares was August 1992, Class A shares was February 1997 and Class B shares was July 1997.

² Launch date of euro hedged share classes AH was October 2006. Benchmark is Russell 1000 Growth Index Euro Hedged.

³ Calculations are NAV to NAV. Performance of the Morgan Stanley Investment Funds is calculated net of fees.

⁴ Total expenses charged to share class open as at 30 June 2011, calculated net of any fee waivers and expressed as a percentage of average net assets for the six month period (or since inception if fund launched within this period).

⁵ Based on monthly observations over last 3 years.

Please note variances between fund and index performance figures may occur due to the price differences between the time the NAV is calculated and the time of the index close.

Please refer to back cover for important information and risk warnings.

www.morganstanleyinvestmentfunds.com

Important information

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Applications for shares in Morgan Stanley Investment Funds should not be made without first consulting the current Prospectus, Annual Report and Semi-Annual Report ('Offering Documents'), which are available free of charge from the Registered Office at the address below:

Registered Office: European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192.

Swiss investors are advised that the Prospectus, the Simplified Prospectus, the Articles of Incorporation of the Company, the audited Annual Reports and the unaudited Semi-Annual Reports may be obtained free of charge from the Swiss representative. Morgan Stanley & Co. International plc, London, Zurich Branch, Bahnhofstrasse 92, 8001 Zurich, is the Swiss representative of the Company and RBC Dexia Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Badenerstrasse 567, 8048 Zurich, is the Swiss paying agent.

Morgan Stanley Investment Funds is an Undertaking for Collective Investment in Transferable Securities ('UCITS') for the purpose of the Council Directive EEC/85/611, as amended by Directive 2001/107/EC and by Directive 2001/108/EC of the European Parliament and of the Council of 21 January 2002 ('UCITS Directive'). Morgan Stanley Investment Funds is an umbrella Société d'Investissement à Capital Variable authorised under Part 1 of the Law of 20 December 2002. The company is a self managed SICAV in accordance with article 27 of the law of 20 December 2002. Morgan Stanley Investment Management Limited will act as Distributor of the shares of each fund. Morgan Stanley Investment Management Limited is a Sub-Adviser to advise on such of the Funds as are agreed from time to time. Morgan Stanley Investment Management Limited does not provide investment advice.

The Funds have been authorised for sale pursuant to the aforementioned Directive in Austria, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Sweden, Spain (CNMV No149) and the UK. In addition, the Funds have been authorised for sale in Chile, Hong Kong, Norway, Peru, Singapore, Switzerland and Taiwan. In France, Morgan Stanley Investment Funds was granted 'recognised' status by the Autorité des marchés financiers (formerly the Commission des Opérations de Bourse) 29 December 1995. In Sweden, Morgan Stanley Investment Funds is registered with the Swedish Financial Supervisory Authority. In giving such authorisation, no regulatory authority in any of the above jurisdictions takes responsibility for the financial soundness of the Funds or for the correctness of any statements made or opinions expressed in this regard.

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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 investment management fees and with income reinvested.

Risk warnings

Past performance is not necessarily a guide to future performance and the value of the Shares and income from them may fall as well as rise. On redemption of Shares, an investor may receive back an amount less than the original amount of his investment. The assets of the funds will be in a variety of currencies and therefore movements in the value of currencies may also affect the value of an investor's holdings. Furthermore, the value of Shares may be adversely affected by fluctuations in exchange rates between the investor's reference currencies and the base currencies of the Funds.

There are special risk considerations associated with investing in:

- 1) Emerging country securities; including (1) restrictions on foreign investment and on repatriation of capital (2) currency fluctuations, (3) potential price volatility and lesser liquidity of shares, (4) political and economic risks, including the risk of nationalisation or expropriation of assets and the risk of war (5) settlement systems may be less well organised and less developed and (6) debt may not be rated by any internationally recognised credit rating organisation.

There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, accounting, auditing, financial and other reporting standards are not equivalent to those of more developed countries, and therefore less information may be available than in more developed countries.

- 2) High yield securities; investment in higher yielding securities is speculative as it generally entails increased credit and market risks. Such securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk) and may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the credit worthiness of the issuer and general market liquidity.
- 3) Securities of small capitalisation companies; these securities involve greater risk than large capitalisation companies and the markets for such securities may be more volatile and less liquid.
- 4) Securities of companies engaged in the real estate industry; including the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zonal laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of the relevant Fund.
- 5) Investments in derivative instruments carries certain inherent risks such as the risk of counterparty default. Before investing you should ensure you fully understand these risks. Use of leverage may also magnify losses as well as gains to the extent that leverage is employed.
- 6) Securities of companies engaged in the infrastructure industry are subject to a variety of factors that may adversely affect their business or operations; including high interest costs in connection with capital construction programs, costs associated with compliance and with changes in environmental and other regulations, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, the effects of surplus capacity, increased competition from other providers of services in a developing deregulatory environment, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors.

Please refer to the Prospectus for full disclosure of the individual fund Investment Objectives, risk factors and other details.