

INVESTMENT MANAGEMENT

Morgan Stanley Investment Funds

Asian Equity Fund - A Shares (Accumulation Share Class)

Important information

- The Fund invests in the equity securities of companies domiciled in or exercising the predominant part of their economic activity in Asia, excluding Japan.
- Investment involves risks. Key risks for this fund include Risk of Investment in Equity, Emerging Market Risk, Exchange Rate Risk, Depositary Receipts Risk, Risk of Exposure to the Euro and Eurozone and Investments in REITs.
- There is a risk that you may potentially lose your entire investment in this Fund.
- The investment decision is yours but you should not invest unless the intermediary who sells it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives. You should not make any investment decision solely based on this document. Please read the relevant offering document carefully for further fund details including risk factors.

Investment Approach

Seeks long-term capital appreciation, measured in U.S. dollars, through investment primarily in the equity securities of companies, for the avoidance of doubt including Real Estate Investment Trusts (REITs), domiciled in or exercising the predominant part of their economic activity in Asia, excluding Japan, thereby taking advantage of the dynamic economic growth capabilities of the region.

Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
May Yu, Managing Director	2012	20
Amay Hattangadi, Managing Director	1997	21

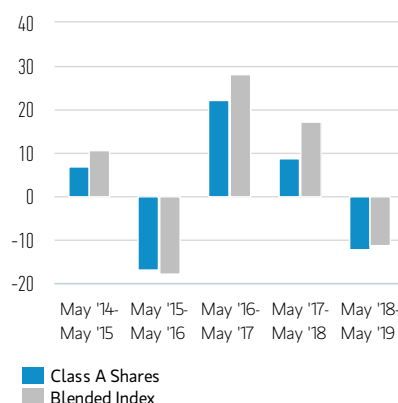
Team members may be subject to change at any time without notice.

Class A Shares (% net of fees) vs. Index in USD

Performance of 100 USD Invested Since Inception (Cash Value)



12 Month Performance Periods to Latest Month End (%)



Investment Performance (% net of fees) in USD

	Cumulative (%)				Annualised (% p.a.)			
	1 M	3 M	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class A Shares	-6.45	-1.82	3.58	-12.20	5.31	0.72	4.67	2.51
Blended Index	-8.53	-5.19	3.86	-11.10	10.12	3.95	7.34	3.90

Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012
Class A Shares	-18.82	36.09	1.01	-7.64	0.99	1.14	18.46
Blended Index	-14.37	41.72	6.11	-9.51	3.16	3.76	22.02

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.

This fund received a compensation payment in connection with Prudential Equity Group's settlement with the U.S. SEC relating to market timing charges. Consequently, the net cash injection received in March 2010 and the related withholding tax, accrued in September 2010 and received in August 2011, have enhanced the fund's performance by 72bps and 33bps, respectively.

The Blended Index performance shown is calculated using the MSCI AC Far East Free Ex-Japan Index (Gross Returns) from inception through 31 December 2000, the MSCI AC Far East Free Ex-Japan Index (Net Returns) from 1 January 2001 through 29 February 2016 and the MSCI AC Asia ex Japan Index (Net Returns) thereafter.

Share Class

	CLASS A
Currency	U.S. dollars
ISIN	LU0073229253
Bloomberg	MORASEI LX
Inception Date	01 February 1997
Net Asset Value	\$ 46.83

Fund Facts

Launch date	01 October 1991
Base currency	U.S. dollars
Index	Blended Index
Total assets	\$ 68.99 million
Structure	Luxembourg SICAV

Charges (%)

	CLASS A
Max Entry Charge	5.75
Ongoing Charges	1.69
Management Fee	1.40

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 A
Minimum Initial Investment	0
Minimum Subsequent Investment	0

Statistics

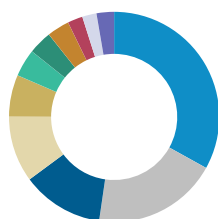
	CLASS A	INDEX
Beta	0.92	1.00
Information ratio	-1.44	--
R squared	0.94	1.00
Tracking error (%)	3.35	--
Volatility (Standard deviation) (%)	13.38	14.12

Characteristics

	FUND	INDEX
Active share (%)	58.74	--
Price/cash flow	10.68	7.70
Price/book	2.00	1.42
Price/earnings	15.74	12.60
Dividend Yield (%)	2.33	2.73
Number of holdings	96	978

Top Holdings (% of Total Net Assets)¹

	FUND	INDEX
Taiwan Semiconductor Mfg Co. Ltd	6.90	4.12
Tencent Holdings Ltd	6.16	5.33
Alibaba Group Holding Ltd	3.61	4.76
Icici Bank Ltd	3.03	0.33
Bank of China Ltd	2.51	0.75
Bank Central Asia Pt	2.47	0.45
Shree Cements Ltd	2.45	0.06
Aia Group Ltd	2.41	2.55
Hdfc Bank Ltd	2.40	--
China Construction Bank Corp	2.38	1.71
Total	34.32	--

Top Countries (% of Total Net Assets)²

	FUND	INDEX
China	33.07	36.38
India	19.23	11.17
Taiwan	12.58	12.88
Hong Kong	10.17	11.77
Indonesia	6.44	2.51
South Korea	4.22	14.13
Singapore	3.63	3.83
Thailand	3.44	3.39
Malaysia	2.32	2.57
Other	2.20	--
Cash & equivalents	2.70	--
Total	100.00	--

¹These securities and percentage allocations are only for illustrative purposes and do not constitute, and should not be construed as, investment advice or recommendations with respect to the securities or investments mentioned.

²May not sum to 100% due to rounding.

Only A and C share classes of the Fund are authorized by the Securities & Futures Commission of Hong Kong to be offered to the public in Hong Kong.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 31.05.2019 and subject to change daily.

DEFINITIONS

Active Share is a measure of the percentage of stock holdings in a managers portfolio that differ from the benchmark index (based on holdings and weight of holdings). Active Share scores range from 0%-100%. A score of 100% means you are completely different from the benchmark. Active Share calculation may consolidate holdings with the same economic exposure. **Beta** is a measure of the relative volatility of a fund to the market's upward or downward movements. A beta greater than 1.0 identifies an issue or fund that will move more than the market, while a beta less than 1.0 identifies an issue or fund that will move less than the market. The Beta of the Market is always equal to 1. **Bloomberg** stands for 'Bloomberg Global Identifier (BBGID)'. This is a unique 12 digit alphanumeric 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. **Dividend yield** is the ratio between how much a company pays out in dividends each year relative to its share price. **Information ratio** is the portfolio's alpha or excess return per unit of risk, as measured by tracking error, versus the portfolio's benchmark. **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. **Price/book (P/BV)** compares a stock's market value to the book

value per share of total assets less total liabilities. This number is used to judge whether a stock is undervalued or overvalued. **Price/cash flow (P/CF)** is a ratio used to compare a company's market value to its cash flow. It is calculated by dividing the company's per-share stock price by the per-share operating cash flow. **Price/earnings (P/E)** is the price of a stock divided by its earnings per share for the past 12 months. Sometimes called the multiple, P/E gives investors an idea of how much they are paying for a company's earning power. The higher the P/E, the more investors are paying, and therefore the more earnings growth they are expecting. **R squared** measures how well an investment's returns correlate to an index. An R squared of 1.00 means the portfolio performance is 100% correlated to the index's, whereas a low r-squared means that the portfolio performance is less correlated to the index's. **Tracking error** is the standard deviation of the difference between the returns of an investment and its benchmark. **Volatility (Standard deviation)** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value.

INDEX INFORMATION

The **MSCI AC Far East ex Japan Index**: captures large and mid cap representation across 2 Developed Markets countries (excluding Japan) and 7 Emerging Markets countries in the Far East*. With 553 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **MSCI AC Asia ex Japan Index**: captures large and mid cap representation across 2 of 3 Developed Markets (DM) countries* (excluding Japan) and 9 Emerging Markets (EM) countries* in Asia. With 637 constituents, the index covers approximately 85% of the free float adjusted market capitalization in each country.

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