

Morgan Stanley Investment Funds

## Asian Fixed Income Opportunities Fund - A Shares (Accumulation Share Class)

### Investment Objective

To generate income and the long term growth of your investment.

### Investment Approach

Seeks to provide an attractive level of total return, measured in U.S. dollars, by investing primarily in the securities of corporate, government and government related issuers domiciled in, or exercising the predominant part of their economic activity in, Asia, excluding Japan, across a spectrum of fixed income asset classes, including high-yield bonds, investment-grade bonds, convertibles and currencies.

### Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Warren Mar, Managing Director	2012	24
Eric Baurmeister, Managing Director	1997	25
Sahil Tandon, Executive Director	2004	15

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

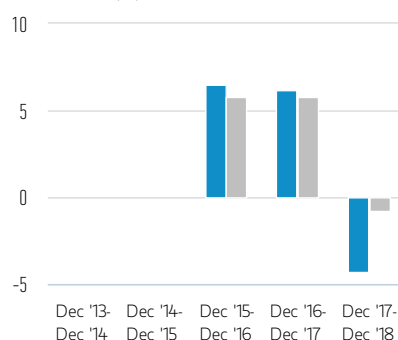
### Class A Shares (% net of fees) vs. Index in USD

Performance of 100 USD Invested Since Inception (Cash Value)



— Class A Shares  
— JPM Asia Credit Index

12 Month Performance Periods to Latest Month End (%)



■ Class A Shares  
■ JPM Asia Credit Index

### 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	0.75	-1.14	-4.32	-4.32	2.64	--	--	1.86
JPM Asia Credit Index	1.34	0.65	-0.77	-0.77	3.56	--	--	3.07

### Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012
Class A Shares	-4.32	6.17	6.45	--	--	--	--
JPM Asia Credit Index	-0.77	5.78	5.81	--	--	--	--

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.

### Share Class

	CLASS A
Currency	U.S. dollars
ISIN	LU1190609823
Bloomberg	MSAFOA LX
Inception Date	27 February 2015
NAV	\$ 26.83

### Fund Facts

Launch date	27 February 2015
Base currency	U.S. dollars
Index	JPM Asia Credit Index
Total assets	\$ 10.69 million
Structure	Luxembourg SICAV

### Charges (%)

	CLASS A
Max Entry Charge	4.00
Ongoing Charges	1.44
Management Fee	1.20

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

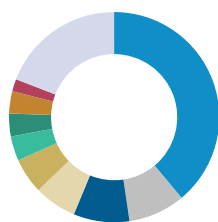
#### (3 Year annualised)

	CLASS A	INDEX
Excess Return (%)	-0.92	--
Alpha (%)	-0.90	--
Beta	0.99	--
Information ratio	-0.61	--
R squared	0.78	--
Sharpe ratio	0.51	0.89
Tracking error (%)	1.50	--
Volatility (Standard deviation) (%)	3.22	2.87

### Characteristics

	FUND	INDEX
Duration (years)	3.01	4.36
Average yield to maturity (%)	6.98	5.37
Number of holdings	49	1,472

### Top Countries (% of Total Net Assets)<sup>1</sup>

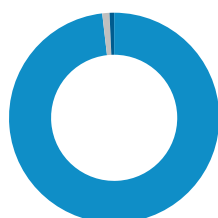


	FUND
China	38.94
Indonesia	8.71
India	8.62
Malaysia	6.52
South Korea	5.46
Singapore	3.78
Philippines	3.52
Sri Lanka	3.42
Hong Kong	1.89
Cash & equivalents	19.12
<b>Total</b>	<b>100.00</b>

### Sector Allocation (% of Total Net Assets)<sup>1,2</sup>

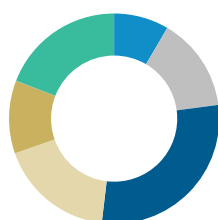
	PORTFOLIO
<b>Sovereign</b>	<b>4.47</b>
<b>Quasi-Sovereign</b>	<b>9.19</b>
<b>Corporates</b>	<b>67.22</b>
Industrial	7.02
Financials	12.75
Oil & Gas	4.69
Consumer	5.25
Diversified	0.00
TMT	6.06
Infrastructure	5.08
Metals & Mining	1.81
Pulp & Paper	0.00
Transport	14.0
Real Estate	16.05
Utilities	7.10
Other	0.00
<b>Cash</b>	<b>19.12</b>

### Currency Allocation (% of Total Net Assets)<sup>1</sup>



	FUND
US Dollar	98.20
Malaysian Ringgit	1.10
Indonesian Rupiah	0.70
<b>Total</b>	<b>100.00</b>

### Quality Distribution (% of Total Net Assets)<sup>1,3</sup>



	FUND
A	8.45
BBB	14.46
BB	28.98
B	17.75
Not Rated	11.23
Cash	19.12
<b>Total</b>	<b>100.00</b>

### Share Class A Risk and Reward Profile



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 funds 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.

<sup>1</sup>May not sum to 100% due to rounding.

<sup>2</sup>For additional information regarding sector classification/definitions please visit [www.msci.com/gics](http://www.msci.com/gics) and the glossary at [www.morganstanley.com/im](http://www.morganstanley.com/im).

<sup>3</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.

Please refer to the Prospectus for full risk disclosures, available at [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com). All data as of 31.12.2018 and subject to change daily.

## DEFINITIONS

**Alpha** (Jensen's) is a risk-adjusted performance measure that represents the average return on a portfolio or investment above or below that predicted by the capital asset pricing model (CAPM) given the portfolio's or investment's beta and the average market return. Prior to 6/30/2018 Alpha was calculated as the excess return of the fund versus benchmark. **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 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. **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. **Excess Return** or value added (positive or negative) is the portfolio's return relative to the return of the 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.

## INDEX INFORMATION

The **JP Morgan Asia Credit Index (JACI)** tracks total return performance of the Asia fixed-rate dollar bond market. JACI is a market-cap weighted index comprising sovereign, quasi-sovereign and corporate bonds and it is partitioned by country, sector and credit rating.

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