

INVESTMENT MANAGEMENT

Morgan Stanley Investment Funds

Asia Opportunity Fund - A Shares (Accumulation Share Class)



MORNINGSTAR OVERALL RATING*
EAA FUND ASIA EX-JAPAN EQUITY
CLASS A SHARES

Out of 830 Funds. Based on Risk Adjusted Return. Class A Shares: 3yr. rating 4 Stars; 5yr. rating 5 Stars.

Important information

- The Fund primarily invests in high quality established and emerging companies located in Asia (excluding Japan).
- Investment involves risks. Key risks for this fund include Risk of Investment in Equity, Concentration Risk, Risk associated with Investments in the PRC, Risk associated with Investments in China A-Shares via Stock Connect, Emerging Market Risk and Exchange Rate Risk.
- 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

The Fund seeks long-term capital appreciation by investing in high quality established and emerging companies located in Asia (excluding Japan) that the investment team believes are undervalued at the time of purchase. To achieve its objective, the investment team typically favors companies it believes have sustainable competitive advantages that can be monetized through growth. The investment process integrates analysis of sustainability with respect to disruptive change, financial strength, environmental and social externalities and governance (also referred to as ESG).

Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Kristian Heugh, Managing Director	2001	20
Anil Agarwal, Managing Director	2001	20

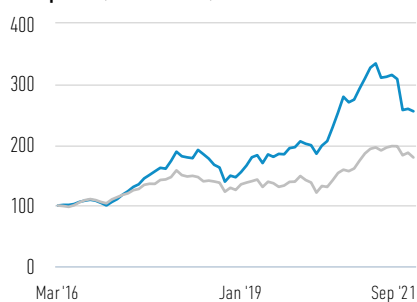
Team members may be subject to change at any time without notice.

Anil Agarwal was added to the fund on 14 April 2020.

Effective 22 May 2020, Krace Zhou is no longer serving as a co-portfolio manager on the Fund. The Fund continues to be lead managed by Kristian Heugh and co-managed by Anil Agarwal.

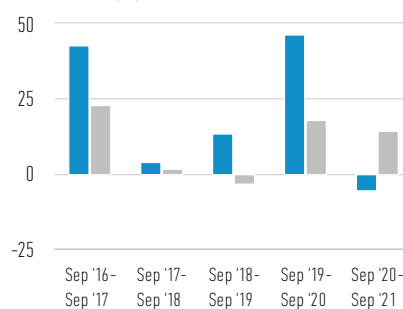
Class A Shares (% net of fees) vs. Index in USD

Performance of 100 USD Invested Since Inception (Cash Value)



— Class A Shares
— MSCI All Country Asia ex-Japan Net Index

12 Month Performance Periods to Latest Month End (%)



■ Class A Shares
■ MSCI All Country Asia ex-Japan Net 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	-1.56	-17.22	-174.9	-54.8	16.22	18.45	--	18.57
MSCI All Country Asia ex-Japan Net Index	-4.18	-9.33	-3.53	14.42	9.19	10.13	--	11.18

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014
Class A Shares	50.38	40.37	-15.50	73.30	--	--	--
MSCI All Country Asia ex-Japan Net Index	25.02	18.17	-14.37	41.72	--	--	--

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 assume the reinvestment of all dividends and income. The sources for all performance and Index data is Morgan Stanley Investment Management.

Share Class

	CLASS A
Currency	U.S. dollars
ISIN	LU1378878430
Bloomberg	MSAIOPA LX
Inception date	31 March 2016
Net asset value	\$ 63.81

Fund Facts

Launch date	31 March 2016
Base currency	U.S. dollars
Index	MSCI All Country Asia ex-Japan Net Index
Total net assets	\$ 7.4 billion
Structure	Luxembourg SICAV

Charges (%)

	CLASS A
Max Entry Charge	5.75
Ongoing Charges	1.89
Management Fee	1.60

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

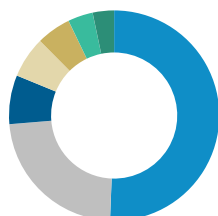
(3 Year Annualised)	CLASS A	INDEX
Excess Return (%)	7.03	--
Alpha (%)	6.95	--
Beta	1.01	1.00
Information ratio	0.61	--
R squared	0.73	1.00
Sharpe ratio	0.68	0.43
Tracking error (%)	11.50	--
Volatility (Standard deviation) (%)	22.24	18.86
Down-capture ratio (%)	94.91	100.00
Up-capture ratio (%)	119.02	100.00

Characteristics

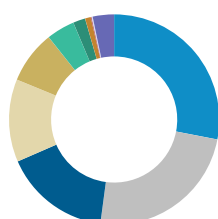
	FUND	INDEX
Active share (%)	85.77	--
Return on invested capital (%)	31.80	17.07
Return on assets (%)	5.71	4.53
5 year free cash flow growth (%)	17.86	8.69
5 year sales growth (%)	12.70	9.57
Net cash to equity (%)	4.1	-16
Weighted average market capitalization (\$B)	106.44	101.00
Number of holdings	35	1,210

Additional A Share Classes

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
A (EUR)	EUR	26.02.2021	LU2295319219	MOFAOAE LX
AH (EUR)	EUR	31.03.2016	LU1378879248	MSAIAHE LX

Top Countries (% of Total Net Assets)¹

	FUND	INDEX
China	51.27	38.93
India	23.32	13.96
Taiwan	7.63	16.86
South Korea	6.40	14.45
United States	5.39	--
Hong Kong	3.90	7.26
Cash	3.32	--

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

	FUND	INDEX
Financials	28.40	18.91
Consumer Discretionary	24.34	15.85
Consumer Staples	16.58	4.96
Communication Services	12.87	10.25
Information Technology	8.22	23.75
Real Estate	4.39	3.88
Materials	1.91	5.41
Industrials	0.89	6.09
Health Care	0.14	5.19
Other	0.16	--
Cash	3.32	--

As of 26 July 2021 the Fund does not hold any U.S. listed China education companies.

Top Holdings (% of Total Net Assets)³

	FUND	INDEX
Hdfc Bank Ltd	8.44	--
Meituan	6.36	1.86
Icici Bank Ltd	5.69	0.70
Trip.com Group Ltd	4.84	0.23
Naver Corp	4.76	0.59
Kweichow Moutai Co. Ltd	4.73	0.31
Coupang Inc	4.68	--
Foshan Haitian Flavouring & Food Co. Ltd	4.31	0.05
Aia Group Ltd	3.90	2.03
Ke Holdings Inc	3.89	0.10
Total	51.60	--

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.

³ These 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.

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 30.09.2021 and subject to change daily.

DEFINITIONS

5 year free cash flow growth is the compound annual growth rate of Free Cash Flow over a 5-year period. It is calculated by $[\text{Free Cash Flow}(0) / \text{Free Cash Flow}(-5)]^{1/5} - 1$. **5 year sales growth** is the compound annual growth rate of Sales over the last 5 years. It is calculated by $[\text{Sales}(0) / \text{Sales}(-5)]^{1/5} - 1$. **Active Share** is a measure of the percentage of stock holdings in a manager's 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. **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. **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. **Excess Return** or value added (positive or negative) is the portfolio's return relative to the return of the benchmark. **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. **Net cash to equity** is the ratio of a company's cash on hand against the total net worth of the company. It is calculated by $[(\text{Total Cash and cash equivalents} - \text{Total Liabilities}) / \text{Shareholder's Equity}]$. **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. **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. **Return on assets (ROA)** is a measure of a company's profitability, equal to a fiscal year's earnings divided by its total assets, expressed as a percentage. **Return on invested capital (ROIC)** represents the performance ratio measuring a company's percentage return on its invested capital. Income statement items as of latest reported fiscal period, and Balance Sheet items from one period earlier. ROIC is calculated by dividing Net Income by (Property, Plant & Equipment + Working Capital + Short Term Debt - Cash & Equivalents). ROIC has a cap of 200% and a floor of 0%, ex Financials and Real Estate Sectors. **Sharpe ratio** is a risk-adjusted measure calculated as the ratio of excess return to standard deviation. The Sharpe ratio determines reward per unit of risk. The higher the Sharpe ratio, the better the historical risk-adjusted performance. **Tracking error** is the standard deviation of the difference between the returns of an investment and its benchmark. **Upside/downside market capture** measures annualized performance in up/down markets relative to the market benchmark. **Volatility (Standard deviation)** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value. **Weighted average market capitalization** is an average of the market capitalization of stocks comprising a portfolio or index, adjusted by each stock's weight in the portfolio or index.

INDEX INFORMATION

The **MSCI All Country Asia Ex-Japan Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia, excluding Japan. The performance of the Index is listed in U.S. dollars and assumes reinvestment of net dividends. The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to directly invest in an index.

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*MORNINGSTAR

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The **Europe/Asia and South Africa category (EAA)** includes funds domiciled in European markets, major cross-border Asian markets where material numbers of European UCITS funds are available (principally Hong Kong, Singapore and Taiwan), South Africa, and selected other Asian and African markets where Morningstar believes it is of benefit to investors for the funds to be included in the EAA classification system.

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