

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 | 25 |
| Richard Ford, Managing Director | 1991 | 30 |
| Michael B. Kushma, Chief Investment Officer of Global Fixed Income | 1987 | 33 |
| Richard Class, Managing Director | 2009 | 21 |

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 (%)^{1,2†}

| | AUG '20 - AUG '21 | AUG '19 - AUG '20 | AUG '18 - AUG '19 | AUG '17 - AUG '18 | AUG '16 - AUG '17 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Class Z Gross (without deduction of max sales charge) ¹ | 2.77 | 0.96 | 3.03 | -0.64 | 3.83 |
| Class Z Net (with the deduction of max sales charge) ² | 1.74 | -0.05 | 2.00 | -1.63 | 2.79 |

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 Gross (without deduction of max sales charge) ¹ | 0.04 | 0.46 | 0.25 | 2.77 | 2.25 | 1.98 | -- | 1.76 |
| Class Z Net (with the deduction of max sales charge) ² | -0.96 | -0.54 | -0.75 | 1.74 | 1.91 | 1.77 | -- | 1.61 |

Calendar Year Returns (%)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------|------|-------|------|------|------|------|
| Class Z Gross (without deduction of max sales charge) ¹ | 3.15 | 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. The sources for all performance and Index data is Morgan Stanley Investment Management.

¹ Figure shown assumes reinvestment of all distributions and deduction of fund level costs, but does not reflect the deduction of any sales charge applicable at investor level.

² Figure shown assumes reinvestment of all distributions and deduction of fund level costs, and includes the deduction of the maximum sales charge applicable at investor level that may be taken out of your money before it is invested.

Please see the Fund's current prospectus and the share class' Key Investor Information Document for complete details on fees and sales charges.

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

Effective 9th November 2020 the Morgan Stanley Investment Funds Global Buy and Hold 2020 Fund merged into the Morgan Stanley Investment Funds European Fixed Income Opportunities Fund.



MORNINGSTAR OVERALL RATING*

EAA FUND GLOBAL FLEXIBLE BOND - EUR HEDGED

CLASS Z SHARES

Out of 965 Funds. Based on Risk Adjusted Return. Class Z Shares: 3yr. rating 3 Stars; 5yr. rating 4 Stars.

Share Class

| | CLASS Z |
|-----------------|-------------------|
| Currency | Euro |
| ISIN | LU1109965860 |
| Bloomberg | MSARFXZ LX |
| Inception date | 30 September 2014 |
| Net asset value | € 28.20 |

Fund Facts

| | |
|----------------------------------|-------------------|
| Launch date | 30 September 2014 |
| Base currency | Euro |
| Total net assets | € 184.41 million |
| Structure | Luxembourg SICAV |
| SFDR Classification [†] | Article 8 |

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) | 3.15 |
| Average yield to maturity (%) | 1.44 |
| Number of holdings | 388 |

[†] Example: An investor wishes to purchase shares of USD 100. At the maximum sales charge of 5.75% the investor has to expend USD 106.10. The sales charge is only incurred upon subscription.

| Sector Allocation (% of Total Net Assets) ^{3,4} | PORTFOLIO |
|--|-----------|
| Treasuries | 16.06 |
| Sovereign | 9.42 |
| Government Related | 6.92 |
| Investment Grade Corporates | 32.17 |
| Industrial | 10.09 |
| Financial Institutions | 18.17 |
| Utility | 3.91 |
| High Yield Corporates | 15.41 |
| NR Corporates | 0.34 |
| Covered | 0.61 |
| Convertibles | 0.45 |
| Agency RMBS | 0.00 |
| Non-Agency RMBS | 7.27 |
| ABS | 0.70 |
| CMBS | 1.47 |
| Mutual Funds | 3.11 |
| Cash & Equivalents | 6.07 |

| Top Countries (% of Total Net Assets) ³ | FUND |
|--|-------|
| Italy | 10.02 |
| United Kingdom | 8.41 |
| Spain | 8.31 |
| U.S. | 6.87 |
| Netherlands | 6.62 |
| France | 5.80 |
| Australia | 4.29 |
| Luxembourg | 4.22 |
| Germany | 3.92 |
| Other | 35.51 |
| Cash | 6.07 |

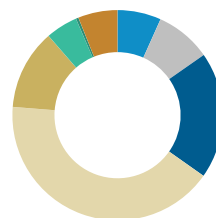
| Currency Allocation (% of Total Net Assets) ³ | FUND |
|--|-------|
| Euro | 98.64 |
| Chinese Yuan Renminbi | 0.67 |
| British Pound | 0.56 |
| Egyptian Pound | 0.56 |
| Mexican New Peso | 0.52 |
| Japanese Yen | 0.50 |
| Brazilian Real | 0.50 |
| South Africa Rand | 0.28 |
| Russian Ruble | 0.25 |
| Indonesian Rupiah | 0.06 |
| Other | -2.53 |

³ May not sum to 100% due to the exclusion of other assets and liabilities.

⁴ For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 31.08.2021 and subject to change daily.

| Quality Distribution (% of Total Net Assets) ^{3,5} | FUND |
|---|-------|
| AAA | 6.71 |
| AA | 8.58 |
| A | 19.50 |
| BBB | 41.47 |
| BB | 12.36 |
| B | 4.91 |
| Not Rated | 0.40 |
| Cash | 6.07 |



Share Class Z 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 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 |

[†] This Fund is classified as an Article 8 product under the Sustainable Finance Disclosure Regulation. Article 8 products are those which promote environmental or social characteristics and which integrate sustainability into the investment process in a binding manner.

⁵ 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.

EU Cross Border Distribution of Funds Important Disclosure

This is a marketing communication. Applications for shares in the Fund should not be made without first consulting the current Prospectus and the Key Investor Information Document ("KIID"), which are available in English and in the official language of your local jurisdiction at morganstanleyinvestmentfunds.com or free of charge from the Registered Office of Morgan Stanley Investment Funds, European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192. A summary of investor rights is available in English at the same website.

If the management company of the relevant Fund decides to terminate its arrangement for marketing that Fund in any EEA country where it is registered for sale, it will do so in accordance with the relevant UCITS rules.

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 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. **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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Applications for shares in the Fund should not be made without first consulting the current Prospectus, Key Investor Information Document ("KIID"), Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which is available free of charge from the Registered Office: European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192. In addition, all Italian investors should refer to the 'Extended Application Form', and all Hong Kong investors should refer to the 'Additional Information for Hong Kong Investors' section, outlined within the Prospectus. Copies of the Prospectus, KIID, the Articles of Incorporation and the annual and semi-annual reports, in German, and further information can be obtained free of charge from the representative in Switzerland. The representative in Switzerland is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The paying agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva. The document has been prepared solely for informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy.

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