

Morgan Stanley Investment Funds

Breakout Nations Fund - A Shares (Accumulation Share Class)

Investment Objective

Long term growth of your investment.

Investment Approach

Seeks to maximise total return measured in U.S. dollars, through investment in emerging and frontier market countries.

Investment Team

| | JOINED FIRM | YEARS OF INVESTMENT EXPERIENCE |
|---|-------------|--------------------------------|
| Jitania Kandhari, Managing Director | 2006 | 20 |
| Ruchir Sharma, Head of Emerging Markets and Chief Global Strategist | 1996 | 25 |

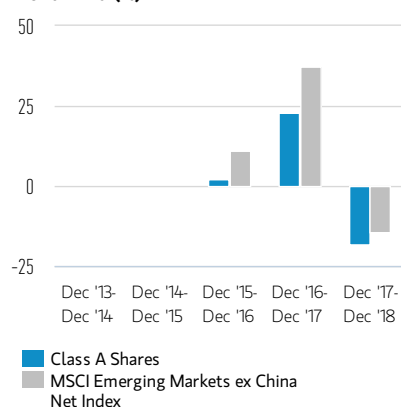
Team members may be subject to change at any time without notice.

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 | -1.02 | -3.70 | -18.18 | -18.18 | 0.91 | -- | -- | -3.15 |
| MSCI Emerging Markets ex China Net Index | -2.66 | -7.47 | -14.58 | -14.58 | 9.25 | -- | -- | 4.38 |

Calendar Year Returns (%)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|--------|-------|-------|------|------|------|------|
| Class A Shares | -18.18 | 22.99 | 2.11 | -- | -- | -- | -- |
| MSCI Emerging Markets ex China Net Index | -14.58 | 37.28 | 11.19 | -- | -- | -- | -- |

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.

¹ The Blended Index performance shown is calculated using the MSCI Emerging Markets Net Index from inception through 31 December 2018 and the MSCI Emerging Markets ex China Net Index thereafter.

² Effective December 31st 2018, the benchmark changed from the MSCI Emerging Markets Net Index to the MSCI Emerging Markets ex China Net Index.

Share Class

| | CLASS A |
|----------------|--------------|
| Currency | U.S. dollars |
| ISIN | LU1258507075 |
| Bloomberg | MSBNAUS LX |
| Inception Date | 31 July 2015 |
| NAV | \$ 22.41 |

Fund Facts

| | |
|----------------------|--|
| Launch date | 31 July 2015 |
| Base currency | U.S. dollars |
| Index ^{1,2} | MSCI Emerging Markets ex China Net Index |
| Total assets | \$ 5.62 million |
| Structure | Luxembourg SICAV |

Charges (%)

| | CLASS A |
|------------------|---------|
| Max Entry Charge | 5.75 |
| Ongoing Charges | 1.74 |
| Management Fee | 1.50 |

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 |

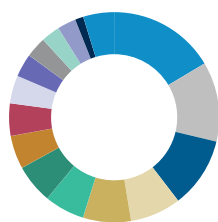
Statistics

(3 Year annualised)

| | CLASS A | INDEX |
|-------------------------------------|---------|-------|
| Beta | 0.74 | 1.00 |
| Information ratio | -1.17 | -- |
| R squared | 0.77 | 1.00 |
| Sharpe ratio | -0.01 | 0.56 |
| Volatility (Standard deviation) (%) | 12.52 | 14.81 |
| Tracking error (%) | 7.11 | -- |

Characteristics

| | FUND | INDEX |
|--------------------|-------|-------|
| Active share (%) | 82.25 | -- |
| Number of holdings | 74 | 1,125 |
| Price/earnings | 17.58 | 10.85 |
| Price/book | 2.51 | 1.49 |
| Dividend Yield (%) | 1.88 | 2.91 |

Top Countries (% of Total Net Assets)³

| | FUND | INDEX |
|------------------------|---------------|-----------|
| India | 16.46 | 9.39 |
| China | 12.26 | 30.34 |
| Brazil | 10.86 | 7.49 |
| Indonesia | 7.84 | 2.31 |
| Poland | 7.36 | 1.26 |
| Mexico | 6.18 | 2.78 |
| Egypt | 6.05 | 0.12 |
| Peru | 5.12 | 0.43 |
| Malaysia | 4.99 | 2.44 |
| Other Emerging Markets | 4.30 | -- |
| South Africa | 3.58 | 6.24 |
| Chile | 3.19 | 1.09 |
| Philippines | 2.89 | 1.11 |
| Argentina | 2.87 | -- |
| Vietnam | 1.28 | -- |
| Cash & equivalents | 4.75 | -- |
| Total | 100.00 | -- |

Top Holdings (% of Total Net Assets)⁴

| | FUND | INDEX |
|---------------------------------|------|-------|
| MS Invf - Indian Equity Fund | 9.71 | -- |
| Tencent Holdings Ltd | 5.42 | 4.77 |
| Credicorp Ltd | 4.00 | 0.31 |
| Commercial Intl. Bank Egypt Ltd | 2.61 | 0.09 |
| Petroleo Brasileiro S.A. | 2.57 | 0.89 |
| Icici Bank Ltd | 2.33 | 0.26 |
| Alibaba Group Holding Ltd | 2.31 | 3.70 |
| Pko Bank Polski | 2.28 | 0.19 |
| Itau Unibanco Holding S.A. | 2.10 | 0.92 |
| Bradesco S.A.-Pref | 2.07 | 0.88 |

³ May not sum to 100% due to rounding.

⁴ 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.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 31.12.2018 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

Share Class A Risk and Reward Profile

Lower Risk

Higher Risk



Potentially Lower Rewards

Potentially Higher Rewards

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 shares of companies from frontier and emerging markets and the fund's simulated and/or realised return has experienced high 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 financial derivative instruments are highly sensitive and may result in losses in excess of the amount invested by the Sub-Fund.
- 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 China A-Shares via Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programs may also entail additional risks, such as risks linked to the ownership of shares.
- 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 A Share Classes

| | CURRENCY | LAUNCH | ISIN | BLOOMBERG |
|----------|----------|------------|--------------|------------|
| AH (EUR) | EUR | 31.07.2015 | LU1258507158 | MSBNAHE LX |

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/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. **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. **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 Emerging Markets ex China Index** captures large and mid cap representation across 22 of the 24 Emerging Markets (EM) countries excluding China. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

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