

Morgan Stanley Investment Funds

## China A-shares Fund - Z Shares

(Accumulation Share Class)

### Investment Objective

Long term growth of your investment.

### Investment Approach

We seek long-term capital appreciation, measured in U.S. dollars, through investment primarily in A-shares of Chinese companies listed on the Shanghai and Shenzhen Stock Exchanges via Stock Connect. Using a combination of macroeconomic analysis and security-specific research, the investment team evaluates stocks in the context of market dynamics, competitive landscape, management quality, growth potential, cash flow, valuation and sentiment.

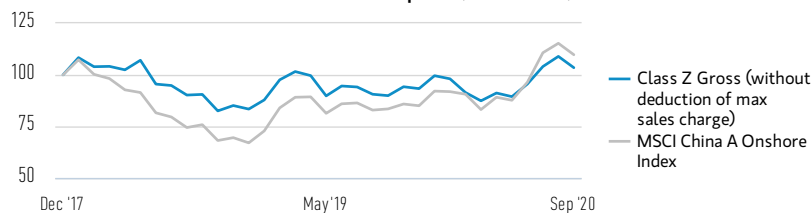
### Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Gary Cheung, Managing Director	2008	17
May Yu, Managing Director	2012	21

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

### Class Z 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 (%)<sup>12†</sup>

	SEP '19 - SEP '20	SEP '18 - SEP '19	SEP '17 - SEP '18	SEP '16 - SEP '17	SEP '15 - SEP '16
Class Z Gross (without deduction of max sales charge) <sup>1</sup>	15.08	-0.66	--	--	--
Class Z Net (with the deduction of max sales charge) <sup>2</sup>	13.93	-1.66	--	--	--
MSCI China A Onshore Index	31.48	10.09	--	--	--

### 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 Z Gross (without deduction of max sales charge) <sup>1</sup>	-5.03	8.29	3.90	15.08	--	--	--	1.25
Class Z Net (with the deduction of max sales charge) <sup>2</sup>	-5.98	7.21	2.86	13.93	--	--	--	0.88
MSCI China A Onshore Index	-4.80	13.82	19.15	31.48	--	--	--	3.45

### Calendar Year Returns (%)

	2019	2018	2017	2016	2015	2014	2013
Class Z Gross (without deduction of max sales charge) <sup>1</sup>	19.42	-16.60	--	--	--	--	--
MSCI China A Onshore Index	37.48	-32.99	--	--	--	--	--

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.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>†</sup> 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.

### Share Class

	CLASS Z
Currency	U.S. dollars
ISIN	LU1735753516
Bloomberg	MSCNAZU LX
Inception date	29 December 2017
Net asset value	\$ 25.87

### Fund Facts

Launch date	29 December 2017
Base currency	U.S. dollars
Index	MSCI China A Onshore Index
Total net assets	\$ 50.80 million
Structure	Luxembourg SICAV

### Charges (%)

	CLASS Z
Max Entry Charge	1.00
<b>Ongoing Charges</b>	<b>0.95</b>
Management Fee	0.70

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.

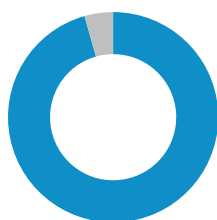
### Subscriptions (USD)

	CLASS Z
Minimum initial investment	0
Minimum subsequent Investment	0

### Characteristics

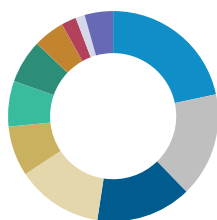
	FUND	INDEX
Active share (%)	92.73	--
Number of holdings	34	716
Price/earnings	12.42	16.86
Price/cash flow	5.80	7.71
Price/book	1.45	1.88
Return on equity (%)	12.83	14.78
Weighted average market capitalization (\$B)	22.36	11.70
Weighted median market capitalization (\$B)	7.11	4.11
Dividend Yield (%)	2.87	1.79

### Top Countries (% of Total Net Assets)<sup>3</sup>



	FUND	INDEX
China	94.95	100.00
Cash	4.35	--

### Sector Allocation (% of Total Net Assets)<sup>3,4</sup>



	FUND	INDEX
Health Care	21.52	10.76
Financials	15.96	21.62
Utilities	14.58	1.74
Information Technology	13.20	15.98
Real Estate	7.64	3.42
Industrials	6.97	11.96
Consumer Discretionary	6.64	8.51
Communication Services	4.76	2.52
Consumer Staples	2.29	14.32
Materials	1.40	7.93
Cash	4.35	--

### Top Holdings (% of Total Net Assets)<sup>5</sup>

	FUND	INDEX
China Resources Sanjiu Medical	8.98	0.04
Foxconn Industrial Internet Co.	6.59	0.13
Shanghai Pharmaceuticals Holding	5.36	0.09
Huaneng Lancang River Hydropow	4.64	--
China Yangtze Power Co. Ltd-A	4.58	0.68
China Vanke Co. Ltd	4.39	0.88
Yunnan Baiyao Group A	4.33	0.25
Ind and Comm Bank of China	4.17	0.43
Guangzhou Restaurant Group Co.	3.54	--
Huatai Securities Co. Ltd	3.50	0.49
<b>Total</b>	<b>50.08</b>	<b>--</b>

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

<sup>4</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>5</sup> 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](http://www.morganstanleyinvestmentfunds.com). All data as of 30.09.2020 and subject to change daily.

#### DEFINITIONS

**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. **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

### Share Class Z 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 company shares 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 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 China A-Shares via the 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.

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. **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. **Return on equity (ROE)** is the amount of net income

returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. **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. **Weighted median market capitalization** is the point at which half of the market value of a portfolio or index is invested in stocks with a greater market cap, while the other half of the market value is invested in stocks with a lower market cap.

#### INDEX INFORMATION

The **MSCI China A Onshore Index** is a free float-adjusted market capitalization index that captures large and mid-cap representation across China securities listed on the Shanghai and Shenzhen exchanges.

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