

Morgan Stanley Investment Funds

Developing Opportunity Fund - Z Shares (Accumulation Share Class)

Investment Objective

Long term growth of your investment, as measured in US Dollars.

Investment Approach

The Fund seeks long-term capital appreciation by investing primarily in high quality companies located or operating in developing or emerging market countries, with capitalizations within the range of companies in the MSCI Emerging Markets Net Index. 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).

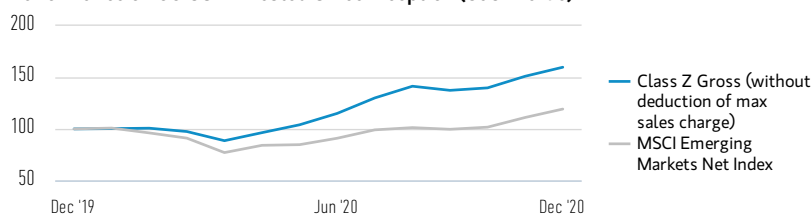
Investment Team

| | JOINED FIRM | YEARS OF INVESTMENT EXPERIENCE |
|-----------------------------------|-------------|--------------------------------|
| Kristian Heugh, Managing Director | 2001 | 20 |

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 (%)^{1,2,†}

| | DEC '19 - DEC '20 | DEC '18 - DEC '19 | DEC '17 - DEC '18 | DEC '16 - DEC '17 | DEC '15 - DEC '16 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Class Z Gross (without deduction of max sales charge) ¹ | 59.39 | -- | -- | -- | -- |
| Class Z Net (with the deduction of max sales charge) ² | 57.80 | -- | -- | -- | -- |
| MSCI Emerging Markets Net Index | 18.31 | -- | -- | -- | -- |

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) ¹ | 5.80 | 16.33 | 59.39 | 59.39 | -- | -- | -- | 58.05 |
| Class Z Net (with the deduction of max sales charge) ² | 4.74 | 15.17 | 57.80 | 57.80 | -- | -- | -- | 56.14 |
| MSCI Emerging Markets Net Index | 7.35 | 19.70 | 18.31 | 18.31 | -- | -- | -- | 18.76 |

Calendar Year Returns (%)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------|------|------|------|------|------|------|
| Class Z Gross (without deduction of max sales charge) ¹ | 59.39 | -- | -- | -- | -- | -- | -- |
| MSCI Emerging Markets Net Index | 18.31 | -- | -- | -- | -- | -- | -- |

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.

[†] 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 | LU2091680657 |
| Bloomberg | MSIFDOZ LX |
| Inception date | 20 December 2019 |
| Net asset value | \$ 39.96 |

Fund Facts

| | |
|------------------|---------------------------------|
| Launch date | 20 December 2019 |
| Base currency | U.S. dollars |
| Index | MSCI Emerging Markets Net Index |
| Total net assets | \$ 374.14 million |
| Structure | Luxembourg SICAV |

Charges (%)

| | CLASS Z |
|------------------------|-------------|
| Max Entry Charge | 1.00 |
| Ongoing Charges | 1.00 |
| Management Fee | 0.80 |

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)

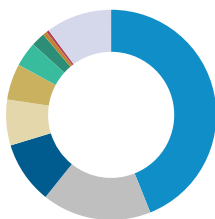
| | CLASS Z |
|-------------------------------|---------|
| Minimum initial investment | 0 |
| Minimum subsequent Investment | 0 |

Characteristics

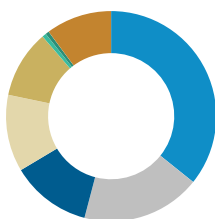
| | FUND | INDEX |
|--|--------|--------|
| Active share (%) | 83.56 | -- |
| Return on invested capital (%) | 89.34 | 17.64 |
| Return on assets (%) | 5.87 | 3.38 |
| 5 year free cash flow growth (%) | 19.40 | 8.69 |
| 5 year sales growth (%) | 20.93 | 10.19 |
| Net cash to equity (%) | 27 | -27 |
| Weighted average market capitalization (\$B) | 141.86 | 109.21 |
| Number of holdings | 30 | 1,397 |

Top Countries (% of Total Net Assets)¹

| | FUND | INDEX |
|---------------|-------|-------|
| China | 43.89 | 39.09 |
| India | 16.77 | 9.25 |
| United States | 9.57 | -- |
| Taiwan | 7.02 | 12.75 |
| Brazil | 5.53 | 5.10 |
| South Korea | 3.82 | 13.46 |
| Argentina | 2.13 | 0.12 |
| Mexico | 0.62 | 1.73 |
| Hong Kong | 0.41 | -- |
| Cash | 10.12 | -- |

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

| | FUND | INDEX |
|------------------------|-------|-------|
| Consumer Discretionary | 35.73 | 18.34 |
| Financials | 18.31 | 17.96 |
| Information Technology | 12.33 | 20.48 |
| Consumer Staples | 11.82 | 5.86 |
| Communication Services | 10.41 | 11.63 |
| Industrials | 0.62 | 4.34 |
| Health Care | 0.55 | 4.74 |
| Cash | 10.12 | -- |

**Top Holdings (% of Total Net Assets)³**

| | FUND | INDEX |
|----------------------------------|--------------|-----------|
| Meituan | 8.04 | 1.73 |
| Hdfc Bank Ltd | 6.69 | -- |
| Mercadolibre Inc | 5.74 | -- |
| Tal Education Group | 5.43 | 0.34 |
| Icici Bank Ltd | 5.03 | 0.47 |
| Foshan Haitian Flavouring | 5.01 | 0.06 |
| Taiwan Semiconductor Mfg Co. Ltd | 4.70 | 5.89 |
| Magazine Luiza | 3.99 | 0.18 |
| Epam Systems Inc | 3.84 | -- |
| Naver Corp | 3.82 | 0.42 |
| Total | 52.29 | -- |

¹May not sum to 100% due to rounding.

²For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.

³These 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 31.12.2020 and subject to change daily.

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 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.

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 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. **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. **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. **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. **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 Emerging Markets Net Index** is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance of emerging markets. The term "free float" represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The MSCI Emerging Markets Index currently consists of 23 emerging-market country indices. The performance of the index is listed in U.S. dollars and assumes reinvestment of net dividends.

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