

Morgan Stanley Investment Funds

### Emerging Europe, Middle East & Africa Equity Fund - Z Shares (Accumulation Share Class)

#### Investment Objective

Long term growth of your investment.

#### Investment Approach

Seeks long-term capital appreciation, measured in euro, by investing primarily in equity securities of issuers in Central, Eastern and Southern Europe (including Russia), the Middle East and Africa.

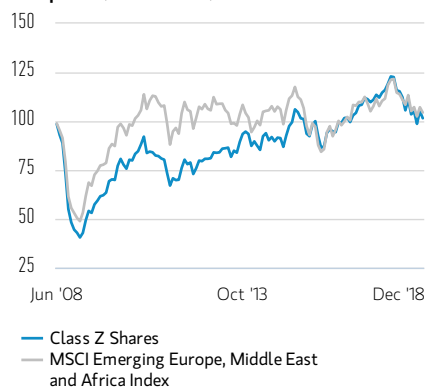
#### Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Eric Carlson, Managing Director	1997	23
Paul Psaila, Managing Director	1994	25

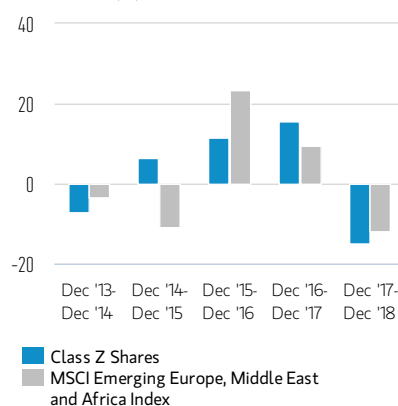
Team members may be subject to change at any time without notice.

#### Class Z Shares (% net of fees) vs. Index in EUR

##### Performance of 100 EUR Invested Since Inception (Cash Value)



##### 12 Month Performance Periods to Latest Month End (%)



#### 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 Shares	-3.46	-3.24	-14.83	-14.83	3.17	1.66	8.60	0.14
MSCI Emerging Europe, Middle East and Africa Index	-2.54	-2.61	-11.88	-11.88	6.00	0.48	7.02	0.41

#### Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012
Class Z Shares	-14.83	15.73	11.42	6.40	-7.06	11.23	19.99
MSCI Emerging Europe, Middle East and Africa Index	-11.88	9.40	23.53	-10.93	-3.41	-9.26	19.99

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, 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.

#### Share Class

#### CLASS Z

Currency	Euro
ISIN	LU0360482631
Bloomberg	MORSEBZ LX
Inception Date	25 June 2008
NAV	€ 25.38

#### Fund Facts

Launch date	16 October 2000
Base currency	Euro
Index	MSCI Emerging Europe, Middle East and Africa Index
Total assets	€ 93.11 million
Structure	Luxembourg SICAV

#### Charges (%)

#### CLASS Z

Max Entry Charge	1.00
Ongoing Charges	1.30
Management Fee	1.10

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

#### Statistics

##### (3 Year annualised)

#### CLASS Z INDEX

Beta	0.80	1.00
Information ratio	-0.42	--
R squared	0.76	1.00
Tracking error (%)	6.76	--
Volatility (Standard deviation) (%)	12.52	13.65

#### Characteristics

#### FUND INDEX

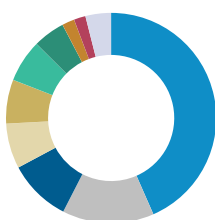
Active share (%)	74.35	--
Price/cash flow	6.70	6.19
Price/book	1.90	1.28
Price/earnings	10.35	7.89
Dividend Yield (%)	3.49	4.30
Number of holdings	36	145

**Top Holdings (% of Total Net Assets)<sup>1</sup>**

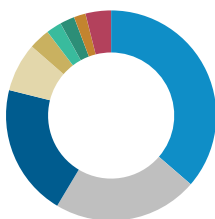
	FUND	INDEX
OTP Bank	5.58	1.29
Capitec Bankholding S Ltd	5.45	0.45
Sberbank of Russia	4.98	4.16
Lukoil Holding	4.90	4.99
Sanlam Ltd	3.91	142
Naspers Ltd	3.91	12.63
Clicks Group Ltd	3.67	0.48
Nedbank Group Ltd	3.51	1.09
Avi Ltd	3.43	--
Santander Bank Polska S.A.	3.31	0.47
<b>Total</b>	<b>42.65</b>	<b>--</b>

**Sector Allocation (% of Total Net Assets)<sup>2,3</sup>**

	FUND	INDEX
Financials	43.43	34.14
Consumer Staples	14.10	5.30
Consumer Discretionary	9.67	3.22
Materials	6.94	9.93
Industrials	6.76	3.14
Communication Services	6.55	18.45
Energy	4.90	18.57
Health Care	1.91	1.57
Information Technology	1.79	--
Cash & equivalents	3.94	--

**Top Countries (% of Total Net Assets)<sup>2</sup>**

	FUND	INDEX
South Africa	36.35	42.98
Poland	22.23	8.66
Russia	20.33	25.50
Hungary	7.49	2.26
Turkey	3.25	4.30
Austria	2.35	--
Egypt	2.27	0.85
United States	1.79	--
Cash & equivalents	3.94	--
<b>Total</b>	<b>100.00</b>	<b>--</b>



<sup>1</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.

<sup>2</sup>May not sum to 100% due to rounding.

<sup>3</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).

Please refer to the Prospectus for full risk disclosures, available at [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com). All data as of 31.12.2018 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 shares of companies from 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 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.
- There are increased risks of investing in emerging markets as political, legal and operational systems may be less developed than in developed markets. Due to the nature of the markets in which the fund invests, there might be circumstances where the safekeeping and custody arrangements of the fund are not as secure as those of more 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**

**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 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. **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. **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 Europe, Middle East and Africa Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the emerging market countries of Europe, the Middle East & Africa.

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