

INVESTMENT MANAGEMENT

Morgan Stanley Investment Funds

Emerging Markets Debt Fund - A Shares (Accumulation Share Class)

Important information

- The Fund invests primarily in the debt securities of government and government-related issuers located in emerging countries, and the Fund may also invest in debt securities of entities organised to restructure outstanding debt of such issuers, together with investing in the debt securities of corporate issuers located in or organised under the laws of emerging countries.
- Investment involves risks. Key risks for this fund include Emerging Market Risk, Credit Risk, Interest Rate Risk, High Yield Securities Risk, Derivatives Risk, Downgrading Risk, Unrated Securities Risk, Risk of Exposure to the Euro and the Eurozone and Risk of Discretionary Distributing Share Class.
- The Fund may pay distributions out of capital. Payment of dividends out of capital amounts to a return or withdrawal of part of a Shareholder's original investment or from any capital gains attributable to that original investment. Any distribution involving payment of dividends out of capital may result in an immediate decrease of the NAV per share.
- There is a risk that you may potentially lose your entire investment in this Fund.
- The investment decision is yours but you should not invest unless the intermediary who sells it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives. You should not make any investment decision solely based on this document. Please read the relevant offering document carefully for further fund details including risk factors.
- The Fund may use derivatives for investment or efficient portfolio management (including hedging) purposes which may expose to higher counterparty, liquidity and valuation risks. The Fund may suffer losses from its derivatives usage.

Investment Approach

Seeks to maximise total return, measured in U.S. dollars, through investment in the debt securities of government and government-related issuers located in emerging countries.

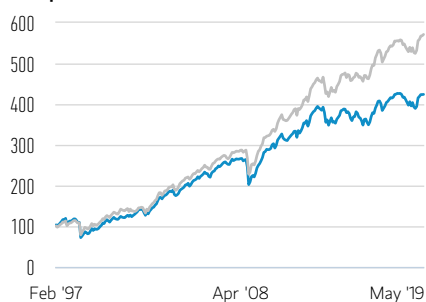
Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Eric Baurmeister, Managing Director	1997	25
Warren Mar, Managing Director	2012	24
Sahil Tandon, Executive Director	2004	15

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

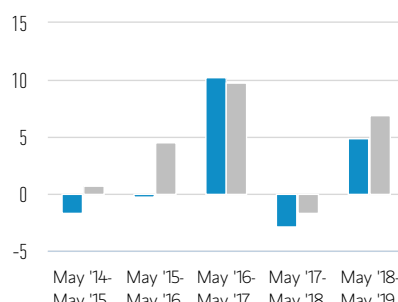
Class A Shares (% net of fees) vs. Index in USD

Performance of 100 USD Invested Since Inception (Cash Value)



— Class A Shares
— JP Morgan Emerging Markets Bond Index Global

12 Month Performance Periods to Latest Month End (%)



■ Class A Shares
■ JP Morgan Emerging Markets Bond Index Global

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	0.12	1.20	7.56	4.89	3.97	2.01	5.44	6.69
JP Morgan Emerging Markets Bond Index Global	0.57	2.16	7.33	6.95	4.88	3.97	7.23	8.12

Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012
Class A Shares	-7.59	9.41	9.81	-2.71	2.21	-9.48	17.95
JP Morgan Emerging Markets Bond Index Global	-4.61	9.32	10.19	1.23	5.53	-6.58	18.54

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 A
Currency	U.S. dollars
ISIN	LU0073230004
Bloomberg	MOREMPI LX
Inception Date	01 February 1997
Net Asset Value	\$ 88.77

Fund Facts

Launch date	01 April 1995
Base currency	U.S. dollars
Index	JP Morgan Emerging Markets Bond Index Global
Total assets	\$ 163.11 million
Structure	Luxembourg SICAV

Charges (%)

	CLASS A
Max Entry Charge	5.75
Ongoing Charges	1.64
Management Fee	1.40

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)

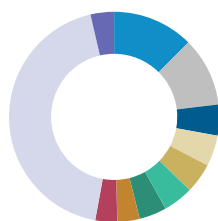
	CLASS A
Minimum Initial Investment	0
Minimum Subsequent Investment	0

Statistics

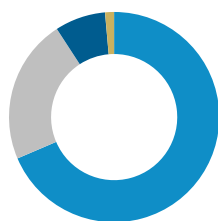
(3 Year annualised)	CLASS A	INDEX
Excess Return (%)	-0.91	--
Alpha (%)	-1.20	--
Beta	1.08	--
Information ratio	-0.71	--
R squared	0.97	--
Sharpe ratio	0.42	0.62
Tracking error (%)	1.28	--
Volatility (Standard deviation) (%)	6.39	5.80

Characteristics

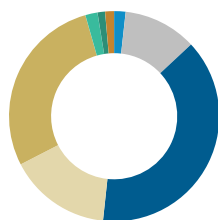
	FUND	INDEX
Interest Rate Duration (years)	7.29	7.08
Average yield to maturity (%)	6.08	5.23
Number of holdings	143	749

Top Countries (% of Total Net Assets)¹

	FUND
Mexico	12.49
Indonesia	10.62
Argentina	4.78
China	4.75
Brazil	4.63
Russia	4.62
Turkey	4.23
Ukraine	3.40
Colombia	3.40
Other	43.49
Cash & equivalents	3.62
Total	100.00

Asset Breakdown (% of Total Net Assets)¹

	FUND
Sovereign	68.58
Quasi-Sovereign	22.25
Corporates	7.80
FX	-0.01
Cash & equivalents	1.38
Total	100.00

Quality Distribution (% of Total Net Assets)^{1,2}

	FUND
AA	1.77
A	11.28
BBB	38.66
BB	15.72
B	28.17
C	1.88
Not Rated	1.16
Cash	1.37
Total	100.00

¹ May not sum to 100% due to rounding.

² 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.

Only A and C share classes of the Fund are authorized by the Securities & Futures Commission of Hong Kong to be offered to the public in Hong Kong.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 31.05.2019 and subject to change daily.

Additional A Share Classes

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
AH (EUR)	EUR	31.10.2006	LU0266119204	MOREDAH LX
AHX (EUR)	EUR	03.11.2011	LU0691071764	MSEKAHX LX
ARM	USD	20.03.2012	LU0749490537	MSEMARM LX
AX	USD	31.01.2006	LU0239678807	MOREDAX LX

DEFINITIONS

Alpha (Jensen's) is a risk-adjusted performance measure that represents the average return on a portfolio or investment above or below that predicted by the capital asset pricing model (CAPM) given the portfolio's or investment's beta and the average market return. Prior to 6/30/2018 Alpha was calculated as the excess return of the fund versus benchmark. **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. **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. **Excess Return** or value added (positive or negative) is the portfolio's return relative to the return of the benchmark. **Information ratio** is the portfolio's alpha or excess return per unit of risk, as measured by tracking error, versus the portfolio's benchmark. **Interest Rate 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. **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. **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

JP Morgan Emerging Markets Bond Global Index tracks total returns for traded external debt instruments in the emerging markets, and is an expanded version of the EMBI+. As with the EMBI+, the EMBI Global includes US dollar-denominated Brady bonds, loans, and Eurobonds with an outstanding face value of at least \$500 million.

DISTRIBUTION

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