

Morgan Stanley Investment Funds

### Emerging Markets Fixed Income Opportunities Fund - Z Shares

(Accumulation Share Class)

#### Investment Objective

To generate income and the long term growth of your investment.

#### Investment Approach

We seek high total return from income and price appreciation by investing in a range of sovereign, quasi-sovereign and corporate debt securities in emerging markets, which may include U.S. dollar-denominated, local currency, and corporate debt securities. We believe that emerging markets experiencing positive fundamental change may present attractive investment opportunities for investors. To help achieve its objective, we combine top-down country allocation with bottom-up security selection.

#### Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Eric Baurmeister, Managing Director	1997	27
Warren Mar, Managing Director	2012	26
Sahil Tandon, Executive Director	2004	17
Budi Suharto, Executive Director	2014	13

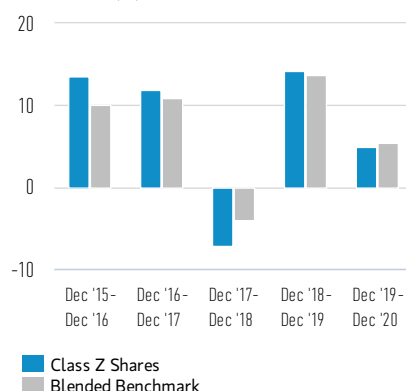
Team members may be subject to change at any time without notice.

#### 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 (%)



#### 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 Shares	2.80	8.80	4.85	4.85	3.55	7.13	--	5.92
Blended Benchmark	2.28	6.61	5.46	5.46	4.78	7.01	--	5.75

#### Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014
Class Z Shares	4.85	14.13	-7.22	11.86	13.60	--	--
Blended Benchmark	5.46	13.73	-4.08	10.82	10.05	--	--

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.

Effective June 8th, 2020, the Fund's primary benchmark index has changed to J.P. Morgan Emerging Markets Blended Index (JEMB) - Equal Weighted.



MORNINGSTAR OVERALL RATING\*

EAA FUND GLOBAL EMERGING MARKETS BOND

CLASS Z SHARES

Out of 1074 Funds. Based on Risk Adjusted Return. Class Z Shares: 3yr. rating 3 Stars; 5yr. rating 4 Stars.

#### Share Class

	CLASS Z
Currency	U.S. dollars
ISIN	LU1258507661
Bloomberg	MSEFXOZ LX
Inception date	03 August 2015
Net asset value	\$ 34.13

#### Fund Facts

Launch date	03 August 2015
Base currency	U.S. dollars
Primary benchmark	JP Morgan Emerging Markets Blended Index - Equal Weighted
Custom benchmark	Blended Benchmark
Total net assets	\$ 217.05 million
Structure	Luxembourg SICAV

#### Charges (%)

	CLASS Z
Max Entry Charge	1.00
Ongoing Charges	0.85
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.

This is the current management fee of the Fund. Please be aware that this varies from that featured in the Fund Prospectus dated May 2015, as the Fund was launched in July 2015 (after the Prospectus was issued).

#### Subscriptions (USD)

	CLASS Z
Minimum initial investment	0
Minimum subsequent investment	0

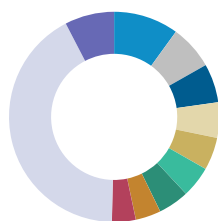
#### Statistics

##### (3 Year Annualised)

	CLASS Z	INDEX
Excess Return (%)	-1.23	--
Alpha (%)	-2.05	--
Beta	1.25	1.00
Information ratio	-0.40	--
R squared	0.98	1.00
Sharpe ratio	0.16	--
Volatility (Standard deviation) (%)	12.43	9.80

#### Characteristics

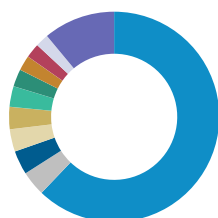
	FUND	INDEX
Duration (years)	6.07	4.34
Average yield to maturity (%)	4.72	3.85
Number of holdings	184	2,844

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

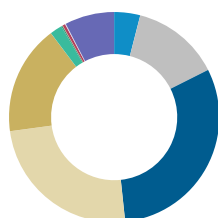
	FUND
Mexico	10.00
Indonesia	6.81
Brazil	5.97
China	5.43
Russia	5.03
Colombia	4.82
South Africa	4.74
Egypt	3.90
United Arab Emirates	3.66
Other	42.04
Cash	7.61

**Sector Allocation (% of Total Net Assets)<sup>1,2</sup>**

	PORTFOLIO
<b>Sovereign</b>	<b>59.69</b>
<b>Quasi-Sovereign</b>	<b>7.92</b>
<b>Supranational</b>	<b>0.57</b>
<b>Corporates</b>	<b>24.21</b>
Industrial	0.96
Financials	5.82
Oil & Gas	2.85
Consumer	2.38
TMT	2.24
Metals & Mining	0.88
Pulp & Paper	0.11
Transport	0.66
Real Estate	4.13
Utilities	3.17
Other	1.00
<b>Cash &amp; Equivalents</b>	<b>7.61</b>

**Currency Allocation (% of Total Net Assets)<sup>1</sup>**

	FUND
US Dollar	62.15
Mexican New Peso	3.82
Indonesian Rupiah	3.69
Russian Ruble	3.44
Brazilian Real	3.44
South Africa Rand	3.16
Polish Zloty New	2.69
Malaysian Ringgit	2.33
Chinese Yuan Renminbi	2.22
Thai Baht	2.02
Other	11.04

**Quality Distribution (% of Total Net Assets)<sup>1,3</sup>**

	FUND
AA	4.00
A	13.59
BBB	30.75
BB	24.53
B	16.86
CCC	1.90
CC	0.18
C	0.06
D	0.41
Not Rated	0.12
Cash	7.61

Please refer to the Prospectus for full risk disclosures, available at [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com). All data as of 31.12.2020 and subject to change daily.

**Share Class Z Risk and Reward Profile**

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 fixed income securities from emerging markets and the fund's simulated and/or realised return has experienced medium 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 bonds are likely to decrease if interest rates rise and vice versa.
- The value of financial derivative instruments are highly sensitive and may result in losses in excess of the amount invested by the Sub-Fund.
- Issuers may not be able to repay their debts, if this happens the value of your investment will decrease. This risk is higher where the fund invests in a bond with a lower credit rating.
- 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 Fixed Income Securities via the China Interbank Bond Market may also entail additional risks, such as counterparty and liquidity risk.
- 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 Z Share Classes**

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
ZH (EUR)	EUR	12.07.2019	LU2019223051	MSEMZHE LX

<sup>1</sup>May not sum to 100% due to rounding.

<sup>2</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>3</sup>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.

## DEFINITIONS

**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. **Bloomberg** stands for 'Bloomberg Global Identifier (BGGID)'. 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. **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. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. **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.

## INDEX INFORMATION

Blended Benchmark refers to performance of Fund's benchmarks since inception - 03 August 2015 to 08 June 2020: 1/3 **J.P. Morgan EMBI Global Index**, 1/3 **J.P. Morgan GBI-EM Global Diversified Index**, 1/3 **J.P. Morgan CEMBI Broad Diversified Index**; 08 June 2020 and beyond - **J.P. Morgan Emerging Markets Blended Index (JEMB) - Equal Weighted**.

The **J.P. Morgan Emerging Markets Blended Index (JEMB) - Equal Weighted** is comprised of 1/3 **J.P. Morgan Emerging Markets Bond Global Diversified 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), 1/3 **J.P. Morgan GBI-EM Global Diversified Index** (a comprehensive global local emerging markets index that consists of regularly traded, liquid fixed-rate, domestic currency government bonds and includes only the countries which give access to their capital market to foreign investors (excludes China, India), and 1/3 **J.P. Morgan CEMBI Broad Diversified Index** (a global, liquid corporate emerging- markets benchmark that tracks U.S.-denominated corporate bonds issued by emerging- markets entities).

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Applications for shares in the Fund should not be made without first consulting the current Prospectus, Key Investor Information Document ("KIID"), Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which is available free of charge from the Registered Office: European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192. In addition, all Italian investors should refer to the 'Extended Application Form', and all Hong Kong investors should refer to the 'Additional Information for Hong Kong Investors' section, outlined within the Prospectus. Copies of the Prospectus, KIID, the Articles of Incorporation and the annual and semi-annual reports, in German, and further information can be obtained free of charge from the representative in Switzerland. The representative in Switzerland is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The paying agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva. The document has been prepared solely for informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy.

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