

Morgan Stanley Investment Funds

European Champions Fund - I Shares (Accumulation Share Class)

Investment Objective

Long term growth of your investment.

Investment Approach

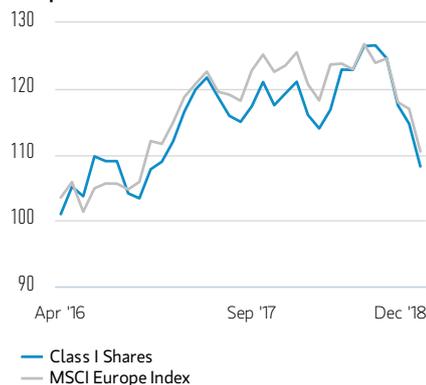
Seeks long-term capital appreciation by investing in European companies that the investment team believes possess a prominent and sustainable position in their field, potentially enabling superior profitability and investment returns. The investment team combines quantitative filters with rigorous qualitative analysis to create a concentrated, high-conviction portfolio.

| Investment Team | JOINED FIRM | YEARS OF INVESTMENT EXPERIENCE |
|--|-------------|--------------------------------|
| Matthew Leeman, Head of European Equity Team | 2006 | 26 |
| Riccardo Bindi, Executive Director | 2006 | 26 |
| Jonathan Day, Executive Director | 2006 | 23 |
| Jaymeen Patel, Executive Director | 1998 | 17 |

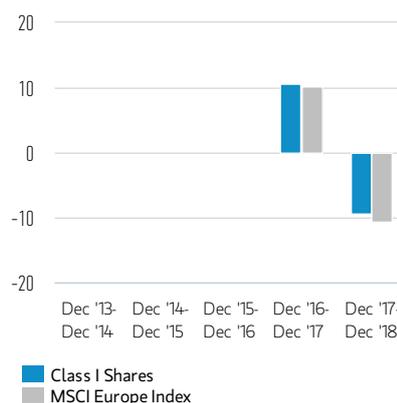
Team members may be subject to change at any time without notice.

Class I 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 I Shares | -5.65 | -13.16 | -9.29 | -9.29 | -- | -- | -- | 2.93 |
| MSCI Europe Index | -5.53 | -11.32 | -10.57 | -10.57 | -- | -- | -- | 3.72 |

Calendar Year Returns (%)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------------|--------|-------|------|------|------|------|------|
| Class I Shares | -9.29 | 10.69 | -- | -- | -- | -- | -- |
| MSCI Europe Index | -10.57 | 10.24 | -- | -- | -- | -- | -- |

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.

The investment team uses analysis tools to assess companies in their investment universe against a set of very strict criteria. This significantly reduces the number of companies; the team then conducts further in-depth analysis, finally building a portfolio of 20-30 stocks that they believe best meet their investment criteria.

Share Class

| Share Class | CLASS I |
|----------------|---------------|
| Currency | Euro |
| ISIN | LU1387591560 |
| Bloomberg | MSTEUCI LX |
| Inception Date | 08 April 2016 |
| NAV | € 27.05 |

Fund Facts

| | |
|---------------|-------------------|
| Launch date | 08 April 2016 |
| Base currency | Euro |
| Index | MSCI Europe Index |
| Total assets | € 31.06 million |
| Structure | Luxembourg SICAV |

Charges (%)

| Charges (%) | CLASS I |
|------------------|---------|
| Max Entry Charge | 3.00 |
| Ongoing Charges | 0.94 |
| Management Fee | 0.75 |

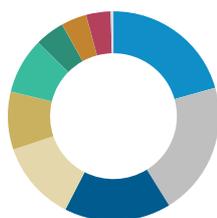
Entry Charge is a maximum possible figure. In some cases you might pay less, you can find this out from your financial adviser. Ongoing Charges reflect the payments and expenses incurred during the fund's operation and are deducted from the assets of the fund over the period. It includes fees paid for investment management (Management Fee), trustee/custodian, and administration charges. For more information please see the Charges and Expenses section of the prospectus.

Subscriptions (USD)

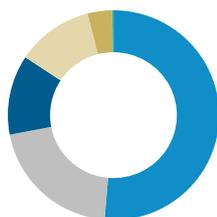
| Subscriptions (USD) | CLASS I |
|-------------------------------|---------|
| Minimum Initial Investment | 0 |
| Minimum Subsequent Investment | 0 |

Characteristics

| Characteristics | FUND | INDEX |
|--------------------|-------|-------|
| Active share (%) | 83.08 | -- |
| Price/cash flow | 15.29 | 7.82 |
| Price/book | 3.63 | 1.57 |
| Dividend Yield (%) | 2.49 | 3.98 |
| Number of holdings | 25 | 439 |

Top Countries (% of Total Net Assets)¹

| | FUND | INDEX |
|--------------------|---------------|-----------|
| Switzerland | 20.65 | 13.86 |
| Germany | 20.55 | 14.13 |
| United Kingdom | 16.34 | 27.09 |
| Denmark | 12.30 | 2.80 |
| Spain | 8.95 | 4.96 |
| France | 8.60 | 17.79 |
| Netherlands | 4.55 | 5.50 |
| Finland | 3.91 | 1.67 |
| Sweden | 3.75 | 4.35 |
| Cash & equivalents | 0.42 | -- |
| Total | 100.00 | -- |

Currency Allocation (% of Total Net Assets)¹

| | FUND | INDEX |
|--------------------|-------|-------|
| EURO | 51.37 | 50.17 |
| Swiss Franc | 20.65 | 13.86 |
| Danish Krone | 12.30 | -- |
| British Pound | 11.74 | 27.13 |
| Swedish Krona | 3.75 | 4.35 |
| Cash & equivalents | 0.20 | -- |

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

| | FUND | INDEX |
|------------------------|---------------|-----------|
| Health Care | 24.20 | 13.09 |
| Industrials | 22.30 | 12.85 |
| Consumer Staples | 15.85 | 14.08 |
| Consumer Discretionary | 15.18 | 9.11 |
| Information Technology | 13.49 | 5.19 |
| Materials | 8.56 | 7.48 |
| Cash & equivalents | 0.42 | -- |
| Total | 100.00 | -- |

Top Holdings (% of Total Net Assets)³

| | FUND | INDEX |
|-----------------|--------------|-----------|
| Symrise AG | 4.76 | 0.12 |
| Grifols S.A. | 4.72 | 0.10 |
| Sap Se | 4.72 | 1.25 |
| Relx NV | 4.60 | 0.52 |
| Asml Holding NV | 4.55 | 0.82 |
| Total | 23.35 | -- |

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 31.12.2018 and subject to change daily.

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. **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

Share Class I Risk and Reward Profile

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 funds ability to buy or sell securities.
- 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.

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. **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.

INDEX INFORMATION

The **MSCI Europe (Net) Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe. As of September 2002, the MSCI Europe Index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

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