

Morgan Stanley Investment Funds

## European Equity Alpha Fund - I Shares (Accumulation Share Class)

### Investment Objective

Long term growth of your investment.

### Investment Approach

Seeks long-term capital growth, measured in euro, through investment primarily in a concentrated portfolio of equity securities of companies listed on European stock exchanges. Investments will be sought in equity securities that the Company believes to have the highest potential for long term capital appreciation based primarily on fundamental market factors and stock-specific research.

### 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.

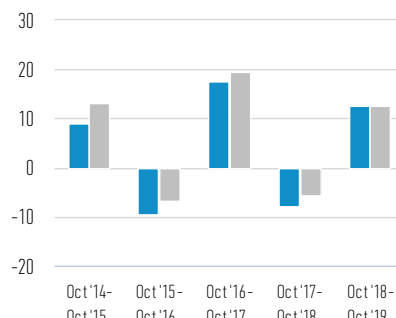
### Class I Shares (% net of fees) vs. Index in EUR

Performance of 100 EUR Invested Since Inception (Cash Value)



— Class I Shares  
— MSCI Europe (Net) Index

12 Month Performance Periods to Latest Month End (%)



■ Class I Shares  
■ MSCI Europe (Net) Index

### 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          | 2.08           | 3.68 | 22.04 | 12.63 | 6.90                | 3.84 | 7.34  | 7.05      |
| MSCI Europe (Net) Index | 0.86           | 3.14 | 20.26 | 12.63 | 8.25                | 6.01 | 8.04  | 7.33      |

### Calendar Year Returns (%)

|                         | 2018   | 2017  | 2016  | 2015 | 2014 | 2013  | 2012  |
|-------------------------|--------|-------|-------|------|------|-------|-------|
| Class I Shares          | -14.24 | 8.84  | -0.27 | 5.23 | 3.46 | 23.06 | 15.52 |
| MSCI Europe (Net) Index | -10.57 | 10.24 | 2.58  | 8.22 | 6.84 | 19.82 | 17.29 |

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.

This fund received a windfall compensation payment in connection with Prudential Equity Group's settlement with the US SEC relating to market timing charges. Consequently, the net cash injection received in March 2010 and the related withholding tax, accrued in September 2010 and received in August 2011, have increased the fund's AUM by EUR 5,437,850 and EUR 2,455,464 respectively, enhancing the overall 2010 fund's performance by 297bps.

### ACTIVE FUNDAMENTAL EQUITY

FACTSHEET | 31 October 2019

Investors should read the Key Investor Information Document and Prospectus before investing.

### Share Class

|                 | CLASS I       |
|-----------------|---------------|
| Currency        | Euro          |
| ISIN            | LU0034265305  |
| Bloomberg       | MORIEUE LX    |
| Inception date  | 05 March 1991 |
| Net asset value | € 54.38       |

### Fund Facts

|                  |                         |
|------------------|-------------------------|
| Launch date      | 05 March 1991           |
| Base currency    | Euro                    |
| Index            | MSCI Europe (Net) Index |
| Total net assets | € 151.50 million        |
| Structure        | Luxembourg SICAV        |

### Charges (%)

|                  | CLASS I |
|------------------|---------|
| Max Entry Charge | 3.00    |
| Ongoing Charges  | 0.89    |
| 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.

### Subscriptions (USD)

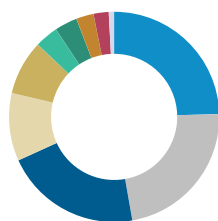
|                               | CLASS I |
|-------------------------------|---------|
| Minimum initial investment    | 0       |
| Minimum Subsequent Investment | 0       |

### Statistics

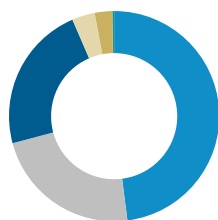
| (3 Year Annualised)                 | CLASS I | INDEX  |
|-------------------------------------|---------|--------|
| Excess Return (%)                   | -1.35   | --     |
| Alpha (%)                           | -1.92   | --     |
| Beta                                | 1.07    | 1.00   |
| Information ratio                   | -0.54   | --     |
| R squared                           | 0.96    | 1.00   |
| Sharpe ratio                        | 0.63    | 0.81   |
| Tracking error (%)                  | 2.50    | --     |
| Volatility (Standard deviation) (%) | 11.52   | 10.57  |
| Down-capture ratio (%)              | 117.22  | 100.00 |
| Up-capture ratio (%)                | 104.67  | 100.00 |

### Characteristics

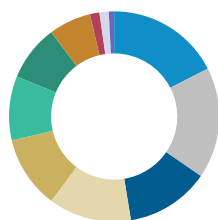
|                       | FUND  | INDEX |
|-----------------------|-------|-------|
| Active share (%)      | 72.71 | --    |
| Number of holdings    | 42    | 443   |
| Price/cash flow       | 12.38 | 8.27  |
| Price/book            | 1.94  | 1.81  |
| Price/earnings        | 16.91 | 16.01 |
| 5 year EPS growth (%) | 4.97  | 6.63  |
| Dividend Yield (%)    | 3.42  | 3.44  |

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

|                    | FUND          | INDEX     |
|--------------------|---------------|-----------|
| United Kingdom     | 24.58         | 25.87     |
| Switzerland        | 22.66         | 14.81     |
| Germany            | 20.98         | 13.98     |
| Netherlands        | 10.43         | 6.21      |
| France             | 8.43          | 18.18     |
| Spain              | 3.58          | 4.58      |
| Sweden             | 3.50          | 4.22      |
| Denmark            | 2.69          | 2.82      |
| Ireland            | 2.33          | 0.89      |
| Cash & equivalents | 0.82          | --        |
| <b>Total</b>       | <b>100.00</b> | <b>--</b> |

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

|                    | FUND  | INDEX |
|--------------------|-------|-------|
| EURO               | 47.99 | 50.67 |
| British Pound      | 22.87 | 25.90 |
| Swiss Franc        | 22.66 | 14.81 |
| Swedish Krona      | 3.50  | 4.22  |
| Danish Krone       | 2.69  | --    |
| US Dollar          | 0.03  | 0.59  |
| Cash & equivalents | 0.26  | --    |

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

|                        | FUND          | INDEX     |
|------------------------|---------------|-----------|
| Consumer Staples       | 17.49         | 14.23     |
| Financials             | 17.09         | 17.82     |
| Health Care            | 12.87         | 13.58     |
| Industrials            | 12.74         | 13.77     |
| Materials              | 11.16         | 7.21      |
| Information Technology | 9.87          | 5.82      |
| Consumer Discretionary | 8.61          | 10.07     |
| Energy                 | 6.45          | 6.96      |
| Real Estate            | 1.49          | 1.44      |
| Other                  | 1.41          | --        |
| Cash & equivalents     | 0.82          | --        |
| <b>Total</b>           | <b>100.00</b> | <b>--</b> |

**Top Holdings (% of Total Net Assets)<sup>3</sup>**

|                              | FUND         | INDEX     |
|------------------------------|--------------|-----------|
| Nestle S.A.                  | 5.92         | 3.66      |
| Sap Se                       | 4.05         | 1.46      |
| Airbus Se                    | 3.69         | 0.94      |
| Novartis AG                  | 3.69         | 2.10      |
| Asml Holding NV              | 3.62         | 1.25      |
| Royal Dutch Shell plc        | 3.24         | 2.61      |
| BP plc                       | 3.21         | 1.44      |
| Unilever NV                  | 2.98         | 0.96      |
| Zurich Insurance Group AG    | 2.83         | 0.66      |
| British American Tobacco plc | 2.82         | 0.90      |
| <b>Total</b>                 | <b>36.05</b> | <b>--</b> |

Please refer to the Prospectus for full risk disclosures, available at [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com). All data as of 31.10.2019 and subject to change daily.

**Share Class I 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.
- 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 I Share Classes**

|          | CURRENCY | LAUNCH     | ISIN         | BLOOMBERG  |
|----------|----------|------------|--------------|------------|
| IH (USD) | USD      | 03.03.2014 | LU1038895964 | MSEIAIH LX |

<sup>1</sup> May not sum to 100% due to rounding. Cash & equivalents may include other assets and liabilities of the portfolio.

<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> 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.

**DEFINITIONS**

The **5 year Earnings Per Share (EPS) growth rate** is the weighted average of earnings per share growth for all securities in the portfolio projected for the past five fiscal years. Earnings per share for a company is defined as total earnings divided by shares outstanding. **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.

**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. **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 alphanumerical 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. **Down Capture Ratio** is a statistical measure of an investment manager's overall performance in down-markets. Downside capture indicates how correlated a fund is to a market, when the market declines. **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. **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. **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. **Upside/downside market capture** measures annualized performance in up/down markets relative to the market 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 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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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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November 2019

## INFORMATION MEMORANDUM

**Morgan Stanley Investment Funds (the "Company")**

Société d'investissement à Capital Variable Luxembourg

### IMPORTANT

This Singapore information memorandum is authorised for distribution only when accompanied by the Luxembourg prospectus for the Company, as amended or modified from time to time (the "**Prospectus**"). Please read this document and the Prospectus for full information on the Funds (as defined below). Capitalised terms used herein which are not defined shall have the meanings attributed to them in the Prospectus.

The Funds are not authorised or recognised by the Monetary Authority of Singapore ("**MAS**") and shares in the Funds ("**Shares**") are not allowed to be offered to the retail public. Moreover, this Information Memorandum which relates to the offer of Shares in the Funds is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time (the "**SFA**"), and accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

The Shares are classified as capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Information Memorandum has not been registered as a prospectus by the MAS, and the offer of the Shares is made pursuant to the exemptions under Sections 304 and 305 of the SFA. Accordingly, the Shares may not be offered or sold, nor may the Shares be the subject of an invitation for subscription or purchase, nor may this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than under exemptions provided in the SFA for offers made (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 304 of the SFA, (b) to a relevant person (as defined in Section 305(5) of the SFA), or any person pursuant to an offer referred to in Section 305(2) of the SFA, and in accordance with the conditions specified in Section 305 of the SFA, or (c) otherwise pursuant to, and in accordance with, the conditions of any other applicable provision of the SFA. First sales of the Shares acquired pursuant to Section 304 of the SFA are subject to the requirements under Section 304A of the SFA.

Where the Shares are acquired by persons who are relevant persons specified in Section 305A of the SFA, namely:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold

investments and each beneficiary of the trust is an individual who is an accredited investor,

the securities (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:

- (1) to an institutional investor or to a relevant person as defined in Section 305(5) of the SFA, or which arises from an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or Section 305A(3)(i)(B) of the SFA (in the case of that trust);
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 305A(5) of the SFA; or
- (5) as specified in Regulation 36A of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

### **Offer of Funds in Singapore**

For the purposes of the offer in Singapore to (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 304 of the SFA, (ii) to a relevant person (as defined in Section 305(5) of the SFA), or any person pursuant to an offer referred to in Section 305(2) of the SFA, and in accordance with the conditions specified in Section 305 of the SFA, only the following Funds shall be available:

### **Equity Funds**

- Morgan Stanley Investment Funds Asia Opportunity Fund (Reference Currency: USD) (the "**Asia Opportunity Fund**")
- Morgan Stanley Investment Funds Asian Equity Fund (Reference Currency: USD) (the "**Asian Equity Fund**")
- Morgan Stanley Investment Funds Asian Property Fund (Reference Currency: USD) (the "**Asian Property Fund**")
- Morgan Stanley Investment Funds Breakout Nations Fund (Reference Currency: USD) (the "**Breakout Nations Fund**")
- Morgan Stanley Investment Funds China A-shares Fund (Reference Currency: USD) (the "**China A-shares Fund**")
- Morgan Stanley Investment Funds China Equity Fund (Reference Currency: USD) (the "China Equity Fund")

- Morgan Stanley Investment Funds Emerging Europe, Middle East and Africa Equity Fund (Reference Currency: Euro) (the "**Emerging Europe, Middle East and Africa Equity Fund**")
- Morgan Stanley Investment Funds Emerging Leaders Equity Fund (Reference Currency: USD) (the "**Emerging Leaders Equity Fund**")
- Morgan Stanley Investment Funds Emerging Markets Equity Fund (Reference Currency: USD) (the "**Emerging Markets Equity Fund**")
- Morgan Stanley Investment Funds European Champions Fund (Reference Currency: Euro) (the "**European Champions Fund**")
- Morgan Stanley Investment Funds European Equity Alpha Fund (Reference Currency: Euro) (the "**European Equity Alpha Fund**")
- Morgan Stanley Investment Funds European Property Fund (Reference Currency: Euro) (the "**European Property Fund**")
- Morgan Stanley Investment Funds Eurozone Equity Alpha Fund (Reference Currency: Euro) (the "**Eurozone Equity Alpha Fund**")
- Morgan Stanley Investment Funds Emerging Markets Small Cap Equity Fund (Reference Currency: USD) (the "**Emerging Markets Small Cap Equity Fund**")<sup>2</sup>
- Morgan Stanley Investment Funds Global Advantage Fund (Reference Currency: USD) (the "**Global Advantage Fund**")
- Morgan Stanley Investment Funds Global Brands Fund (Reference Currency: USD) (the "**Global Brands Fund**")
- Morgan Stanley Investment Funds Global Brands Equity Income Fund (Reference Currency: USD) (the "**Global Brands Equity Income Fund**")
- Morgan Stanley Investment Funds Global Counterpoint Fund (Reference Currency: USD) (the "**Global Counterpoint Fund**")
- Morgan Stanley Investment Funds Global Endurance Fund (Reference Currency: USD) (the "**Global Endurance Fund**")
- Morgan Stanley Investment Funds Global Infrastructure Fund (Reference Currency: USD) (the "**Global Infrastructure Fund**")
- Morgan Stanley Investment Funds Global Infrastructure Unconstrained Fund (Reference Currency: USD) (the "**Global Infrastructure Unconstrained Fund**")

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<sup>1</sup> The Fund will merge into European Champions Fund as from the 29 November 2019

<sup>2</sup> Former "Frontier Markets Equity"

- Morgan Stanley Investment Funds Global Opportunity Fund (Reference Currency: USD) (the "**Global Opportunity Fund**")
- Morgan Stanley Investment Funds Global Permanence Fund (Reference Currency: USD) (the "**Global Permanence Fund**")
- Morgan Stanley Investment Funds Global Property Fund (Reference Currency: USD) (the "**Global Property Fund**")
- Morgan Stanley Investment Funds Global Property Unconstrained Fund (Reference Currency: USD) (the "**Global Property Unconstrained Fund**")
- Morgan Stanley Investment Funds Global Sustain Fund (Reference Currency: USD) (the "**Global Sustain Fund**")
- Morgan Stanley Investment Funds Global Quality Fund (Reference Currency: USD) (the "**Global Quality Fund**")
- Morgan Stanley Investment Funds Indian Equity Fund (Reference Currency: USD) (the "**Indian Equity Fund**")
- Morgan Stanley Investment Funds International Equity (ex US) Fund, (Reference Currency: USD) (the "**International Equity (ex US) Fund**")
- Morgan Stanley Investment Funds Japanese Equity Fund (Reference Currency: Yen) (the "**Japanese Equity Fund**")
- Morgan Stanley Investment Funds Latin American Equity Fund (Reference Currency: USD) (the "**Latin American Equity Fund**")
- Morgan Stanley Investment Funds US Advantage Fund (Reference Currency: USD) (the "**US Advantage Fund**")
- Morgan Stanley Investment Funds US Growth Fund (Reference Currency: USD) (the "**US Growth Fund**")
- Morgan Stanley Investment Funds US Insight Fund, (Reference Currency: USD) (the "**US Insight Fund**")
- Morgan Stanley Investment Funds US Property Fund (Reference Currency: USD) (the "**US Property Fund**")

## **Bond Funds**

- Morgan Stanley Investment Funds Absolute Return Fixed Income Fund (Reference Currency: EUR) (the "**European Fixed Income Opportunities Fund**<sup>3</sup>")
- Morgan Stanley Investment Funds Emerging Markets Corporate Debt Fund (Reference Currency: USD) (the "**Emerging Markets Corporate Debt Fund**")

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<sup>3</sup> Former Absolute Return Fixed Income Fund

- Morgan Stanley Investment Funds Emerging Markets Debt Fund (Reference Currency: USD) (the "**Emerging Markets Debt Fund**")
- Morgan Stanley Investment Funds Emerging Markets Domestic Debt Fund (Reference Currency: USD) (the "**Emerging Markets Domestic Debt Fund**")
- Morgan Stanley Investment Funds Emerging Markets Fixed Income Opportunities Fund (Reference Currency: USD) (the "**Emerging Markets Fixed Income Opportunities Fund**")
- Morgan Stanley Investment Funds Euro Bond Fund (Reference Currency: Euro) (the "**Euro Bond Fund**")
- Morgan Stanley Investment Funds Euro Corporate Bond Fund (Reference Currency: Euro) (the "**Euro Corporate Bond Fund**")
- Morgan Stanley Investment Funds Euro Corporate Bond – Duration Hedged Fund (Reference Currency: Euro) (the "**Euro Corporate Bond – Duration Hedged Fund**")
- Morgan Stanley Investment Funds Euro Strategic Bond Fund (Reference Currency: Euro) (the "**Euro Strategic Bond Fund**")
- Morgan Stanley Investment Funds Euro Strategic Bond – Duration Hedged Fund (Reference Currency: Euro) (the "**Euro Strategic Bond – Duration Hedged Fund**")
- Morgan Stanley Investment Funds European Currencies High Yield Bond Fund (Reference Currency: Euro) (the "**European High Yield Bond Fund**<sup>5</sup>")
- Morgan Stanley Investment Funds Global Bond Fund (Reference Currency: USD) (the "**Global Bond Fund**")
- Morgan Stanley Investment Funds Global Convertible Bond Fund (Reference Currency: USD) (the "**Global Convertible Bond Fund**")
- Morgan Stanley Investment Funds Global Credit Fund (Reference Currency: USD) (the "**Global Credit Fund**")
- Morgan Stanley Investment Funds Global Fixed Income Opportunities Fund (Reference Currency: USD) (the "**Global Fixed Income Opportunities Fund**")
- Morgan Stanley Investment Funds Global High Yield Bond Fund (Reference Currency: USD) (the "**Global High Yield Bond Fund**")
- Morgan Stanley Investment Funds Global Asset Backed Securities Fund (Reference Currency: USD) (the "**Global Asset Backed Securities Fund**")

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<sup>4</sup> The Fund will be liquidated on the 18 December 2019

<sup>5</sup> Former European Currencies High Yield Bond Fund

- Morgan Stanley Investment Funds Short Maturity Euro Bond Fund (Reference Currency: Euro) (the "**Short Maturity Euro Bond Fund**")
- Morgan Stanley Investment Funds US Dollar Corporate Bond Fund, (Reference Currency: USD) (the "**US Dollar Corporate Bond Fund**")
- Morgan Stanley Investment Funds US Dollar High Yield Bond Fund, (Reference Currency: USD) (the "**US Dollar High Yield Bond Fund**")
- Morgan Stanley Investment Funds US Dollar Short Duration Bond Fund, (Reference Currency: USD) (the "**US Dollar Short Duration Bond Fund**")
- Morgan Stanley Investment Funds US Dollar Short Duration High Yield Bond Fund, (Reference Currency: USD) (the "**US Dollar Short Duration High Yield Bond Fund**")

#### **Asset Allocation Funds**

- Morgan Stanley Investment Funds Global Balanced Defensive Fund, (Reference Currency: Euro) (the "**Global Balanced Defensive Fund**")
- Morgan Stanley Investment Funds Global Balanced Fund, (Reference Currency: Euro) (the "**Global Balanced Fund**")
- Morgan Stanley Investment Funds Global Balanced Risk Control Fund of Funds, (Reference Currency: Euro) (the "**Global Balanced Risk Control Fund of Funds**")
- Morgan Stanley Investment Funds Global Balanced Income Fund (Reference Currency: Euro) (the "**Global Balanced Income Fund**")
- Morgan Stanley Investment Funds Global Multi-Asset Income Fund (Reference Currency: Euro) (the "**Global Multi-Asset Income Fund**")
- Morgan Stanley Investment Funds Global Multi-Asset Opportunities Fund, (Reference Currency: Euro) (the "**Global Multi-Asset Opportunities Fund**")
- Morgan Stanley Investment Funds Multi-Asset Risk Control Fund (Reference Currency: USD) (the "**Multi-Asset Risk Control Fund**")
- Morgan Stanley Investment Funds Real Assets Fund (Reference Currency: USD) (the "**Real Assets Fund**")

#### **Alternative Investment Funds**

- Morgan Stanley Investment Funds Liquid Alpha Capture Fund (Reference Currency: USD) (the "**Liquid Alpha Capture Fund**")

The Singapore information memorandum relates to the aforesaid Funds. Investors may invest in the aforesaid Funds by subscribing for Shares in the share capital of the Company.

## **Investment Objectives and Policies**

Please refer to Section 1.2 of the Prospectus.

## **Risks Factors**

Please refer to Section 1.5 of the Prospectus.

## **Accounts**

Please refer to Section 3.1 of the Prospectus under the heading "**Annual and Semi-annual Reports**".

## **Regulatory Information**

### **1. Company**

|                                                     |   |                                                                                                           |
|-----------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------|
| Name                                                | : | Morgan Stanley Investment Funds                                                                           |
| Place of incorporation                              | : | Please refer to Section 3.1 of the Prospectus.                                                            |
| Registered office                                   | : | European Bank and Business Centre, 6B route de Trèves,<br>L-2633 Senningerberg, Grand Duchy of Luxembourg |
| Supervisory authority                               | : | Commission de Surveillance du Secteur Financier                                                           |
| Address                                             | : | 283, route d'Arlon, L-1150 Luxembourg, Grand Duchy of<br>Luxembourg                                       |
| Tel                                                 | : | (352)-262511                                                                                              |
| Fax                                                 | : | (352)-2625-12601                                                                                          |
| Legislation under which the<br>Company is regulated | : | See page 1 of the Prospectus.                                                                             |

### **2. Custodian**

|                        |   |                                                                     |
|------------------------|---|---------------------------------------------------------------------|
| Name                   | : | J.P. Morgan Bank Luxembourg S.A.                                    |
| Place of incorporation | : | Please refer to Section 3.1 of the Prospectus.                      |
| Supervisory authority  | : | Commission de Surveillance du Secteur Financier                     |
| Address                | : | 283, route d'Arlon, L-1150 Luxembourg, Grand Duchy of<br>Luxembourg |
| Tel                    | : | (352)-262511                                                        |
| Fax                    | : | (352)-2625-12601                                                    |

### **3. Management Company**

|                        |   |                                                    |
|------------------------|---|----------------------------------------------------|
| Name                   | : | MSIM Fund Management (Ireland) Limited             |
| Place of incorporation | : | Please refer to Section 3.1 of the Prospectus.     |
| Supervisory authority  | : | Central Bank of Ireland                            |
| Address                | : | N Wall Quay, North Dock, Dublin, D01 F7X3, Ireland |
| Tel                    | : | +353 1 224 6000                                    |
| Fax                    | : | +353 (0)1 671 5550                                 |

#### **4. Investment Advisers**

Investment Adviser for all : Morgan Stanley Investment Management Limited Funds  
Place of incorporation : Please refer to Section 3.1 of the Prospectus.

Supervisory authority : Financial Conduct Authority  
Address : 25 The North Colonnade, Canary Wharf, London E14 5HS  
Tel : (44)-20-7066-1000  
Fax : (44)-20-7066-8349

#### **Redemption of Shares**

Please refer to Section 2.3 of the Prospectus.

#### **Charges and Expenses**

Please refer to Section 2.5 of the Prospectus.

#### **Past Performance**

Past performance figures may be obtained in the annual and semi-annual reports of the Company at [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com).

#### **Side Letters**

The Company does not enter directly into side letters with investors.

#### **Liquidity Risk**

The Company and the Management Company have established a liquidity risk process to assess and monitor the liquidity risk profile of the relevant Fund on an on-going basis. A summary of the liquidity management tools that may be implemented by the Management Company and/or the Company is set out below. Such liquidity management tools may be implemented in exceptional circumstances and in the best interest of the relevant Fund and its Shareholders and will have the corresponding effect on investors described below. Please refer to Sections 2.3 and 2.4 of the Prospectus for further information on these liquidity management tools.

#### **Redemption fee and conversion fee**

A redemption fee or conversion fee of up to 2% of an individual redemption or conversion (as the case may be) may be applied where the Management Company, in its discretion, determines that the shareholder has engaged in trading practices which adversely affect the interests of the Company's shareholders or where it is otherwise appropriate to protect the interest of the Company. Such redemption fee and conversion fee will be retained for the benefit of continuing Shareholders of the relevant Fund.

#### **Suspension of redemption**

The Company shall suspend the redemption of Shares of the Company during any period when the calculation of the Net Asset Value per share of the relevant Class is suspended

under circumstances set out in section 2.7 of the Prospectus headed "Net Asset Value Determination". Shareholders will not be able to redeem Shares in the affected Fund(s) during the period when the calculation of the Net Asset Value is suspended.

### Gating

Shareholders may not be able to redeem or convert their Shares where application(s) for redemption or conversion in respect of any one Dealing Day is more than 10% of the Net Asset Value of any one Fund. In the event that such 10% threshold in respect of a Dealing Day is exceeded, the Company may scale down each application with respect to such Dealing Day pro rata so that not more than 10% of the Net Asset Value of the relevant Fund be redeemed or converted on such Dealing Day.

Alternatively, the Company may ask such Shareholder(s) affected by the abovementioned gating procedure to accept payment in whole or in part by an in-kind distribution of securities in lieu of cash. No Shareholder can be required to accept an in-kind distribution against their will, and where a Shareholder refuses such in-kind payment, the redemption proceeds will be paid in the Reference Currency of the Fund or, if applicable, in the currency which the Currency Hedged Share Class is denominated from which the Shareholder is redeeming.

### Anti-dilution pricing measure

The Management Company may adjust the Net Asset Value of a Fund ("**Swing Pricing**") to reflect the estimated dealing spreads, costs and charges to be incurred by the Fund in liquidating or purchasing investments ("**Swing Factor**") to satisfy the net transactions received in respect of a particular Dealing Day. Under normal market circumstances, the Swing Factor shall not exceed 2% of the Net Asset Value of the relevant Fund on the relevant Dealing Day. When net redemptions in a Fund exceed a threshold determined by the Management Company on a given Dealing Day, the Net Asset Value of the Fund may be adjusted downwards by the Swing Factor. If the Net Asset Value of the Fund is adjusted downwards, the redemption proceeds paid to affected Shareholders would likewise be adjusted in a manner proportionate to the then applicable Swing Factor.

### Restrictions on conversion

The Company may refuse to accept a conversion application if it is detrimental to the interests of the Company or the Shareholders, taking into account the monetary amount or number of Shares to be converted, market conditions or any other circumstances (e.g., short-term trading).