

INVESTMENT MANAGEMENT

Morgan Stanley Investment Funds

European Property Fund - A Shares (Accumulation Share Class)

Important information

- The Fund invests primarily in the equity securities of companies in the European real estate industry.
- Investment involves risks. Key risks for this fund include Risk of Investment in the Real Estate Industry and REITs, Risk of Investment in Equity, Exchange Rate Risk and Risk of Exposure to the Euro and Eurozone.
- 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.

Investment Approach

We seek attractive long-term, risk-adjusted returns by investing in publicly traded real estate securities in Europe. We combine a value-oriented, bottom-up-driven investment strategy and a top-down allocation that seeks diversified exposure to all major asset classes with an overweighting to property markets that we believe offer the best relative valuation.

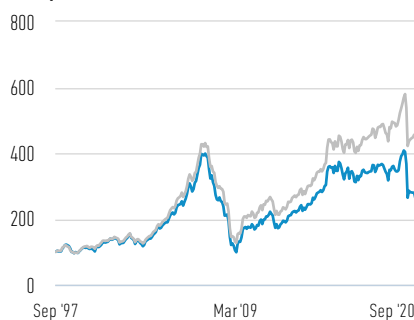
Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Ted Bigman, Head of Global Listed Real Assets Investing	1995	33
Sven van Kemenade, Managing Director	1997	23
Michiel te Paske, Managing Director	1997	23

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

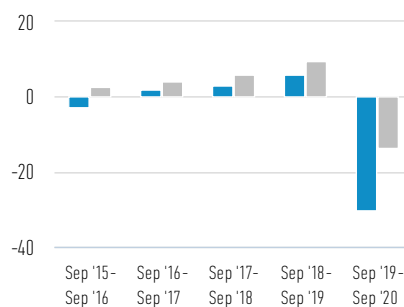
Class A Shares (% net of fees) vs. Index in EUR

Performance of 100 EUR Invested Since Inception (Cash Value)



— Class A Shares
— GPR General Quoted Europe Net Index

12 Month Performance Periods to Latest Month End (%)



■ Class A Shares
■ GPR General Quoted 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 A Shares	-6.40	-6.70	-35.84	-30.16	-8.58	-5.42	3.09	4.26
GPR General Quoted Europe Net Index	-1.11	1.25	-20.71	-13.54	0.07	1.40	6.73	6.75

Calendar Year Returns (%)

	2019	2018	2017	2016	2015	2014	2013
Class A Shares	28.69	-12.90	10.00	-6.57	16.93	24.17	8.83
GPR General Quoted Europe Net Index	30.47	-8.12	13.18	-3.70	17.60	23.38	10.63

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	Euro
ISIN	LU0078113650
Bloomberg	MOREPILX
Inception date	01 September 1997
Net asset value	€ 26.19

Fund Facts

Launch date	01 September 1997
Base currency	Euro
Index	GPR General Quoted Europe Net Index
Total net assets	€ 35.65 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)

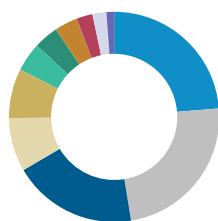
	CLASS A
Minimum initial investment	0
Minimum subsequent Investment	0

Statistics

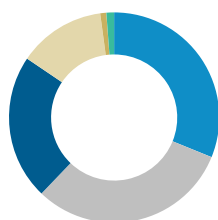
(3 Year Annualised)	CLASS A	INDEX
Excess Return (%)	-8.65	--
Alpha (%)	-8.74	--
Beta	1.21	1.00
Information ratio	-1.25	--
R squared	0.92	1.00
Sharpe ratio	-0.39	0.03
Tracking error (%)	6.93	--
Volatility (Standard deviation) (%)	21.24	16.83

Characteristics

	FUND
Active share (%)	54.62
Dividend Yield (%)	5.29
Number of holdings	38

Top Countries (% of Total Net Assets)¹

	FUND
Germany	23.72
United Kingdom	23.70
France	19.15
Spain	8.25
Sweden	7.62
Ireland	4.43
Norway	3.82
Netherlands	3.50
Switzerland	2.50
Other	2.12
Cash	1.19

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

	FUND
Office	31.16
Diversified	30.99
Residential	22.32
Retail	13.41
Industrial/Office Mixed	0.93
Cash	1.19

Top Holdings (% of Total Net Assets)³

	FUND
Vonovia Se	10.39
Gecina	7.25
Deutsche Wohnen Se	6.80
Land Securities Group plc	5.45
Merlin Properties Socimi S.A	5.29
Klepierre	5.11
British Land Co. Ltd	4.62
Hibernia REIT plc	4.43
Derwent London plc	3.12
Alstria Office REIT-AG	3.06
Total	55.52

¹ May not sum to 100% due to the exclusion of other assets and liabilities.

² For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.

³ 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.

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.

The fund is not authorised by the SFC under the Code on REITs, but is authorized under the Code on Unit Trusts and Mutual Funds. Such authorisation does not imply official approval or recommendation. Furthermore, please note that any underlying Real Estate Investment Trusts (REITs) of which the fund invests in may not necessarily be authorised by the SFC and the dividend policy/payout policy of the fund is not representative of the dividend policy/payout policy of the underlying REITs.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 30.09.2020 and subject to change daily.

DEFINITIONS

Active Share is a measure of the percentage of stock holdings in a manager's 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

Additional A Share Classes

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
AH (USD)	USD	31.03.2015	LU1209887436	MSEPAHU LX
AX	EUR	04.11.2013	LU0988535968	MSEPRAX LX

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. **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. **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

The **GPR General Quoted Europe Net Index** is a sub-index of the GPR General Index and is composed of listed real estate securities in the European real estate markets.

DISTRIBUTION

This communication is only intended for and will only be distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations. In particular, the Shares are not for distribution to US persons.

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