

Morgan Stanley Investment Funds

European Property Fund - Z Shares (Accumulation Share Class)

Investment Objective

Long term growth of your investment.

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.

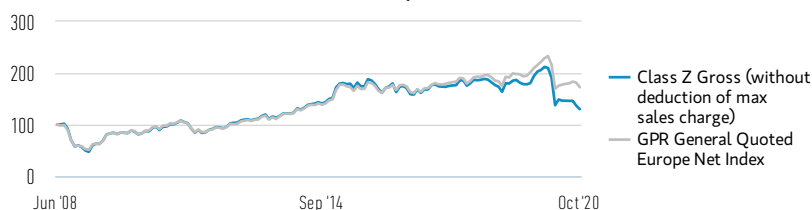
Investment Team

	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 Z 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 (%)^{1,2†}

	OCT '19 - OCT '20	OCT '18 - OCT '19	OCT '17 - OCT '18	OCT '16 - OCT '17	OCT '15 - OCT '16
Class Z Gross (without deduction of max sales charge) ¹	-35.92	14.72	0.45	10.71	-15.45
Class Z Net (with the deduction of max sales charge) ²	-36.56	13.57	-0.55	9.60	-16.30
GPR General Quoted Europe Net Index	-19.93	16.19	1.72	11.94	-10.55

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 Z Gross (without deduction of max sales charge) ¹	-4.97	-11.03	-38.69	-35.92	-9.61	-7.12	3.08	2.15
Class Z Net (with the deduction of max sales charge) ²	-5.92	-11.92	-39.30	-36.56	-9.92	-7.31	2.97	2.07
GPR General Quoted Europe Net Index	-4.83	-4.15	-24.54	-19.93	-1.82	-1.07	5.92	4.53

Calendar Year Returns (%)

	2019	2018	2017	2016	2015	2014	2013
Class Z Gross (without deduction of max sales charge) ¹	29.62	-12.25	10.81	-5.88	17.84	25.13	9.70
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. The sources for all performance and Index data is Morgan Stanley Investment Management.

¹ Figure shown assumes reinvestment of all distributions and deduction of fund level costs, but does not reflect the deduction of any sales charge applicable at investor level.

² Figure shown assumes reinvestment of all distributions and deduction of fund level costs, and includes the deduction of the maximum sales charge applicable at investor level that may be taken out of your money before it is invested. Please see the Fund's current prospectus and the share class' Key Investor Information Document for complete details on fees and sales charges.

Share Class

	CLASS Z
Currency	Euro
ISIN	LU0360481740
Bloomberg	MSTEPBZ LX
Inception date	30 June 2008
Net asset value	€ 32.52

Fund Facts

Launch date	01 September 1997
Base currency	Euro
Index	GPR General Quoted Europe Net Index
Total net assets	€ 33.40 million
Structure	Luxembourg SICAV

Charges (%)

	CLASS Z
Max Entry Charge	1.00
Ongoing Charges	0.90
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)

	CLASS Z
Minimum initial investment	0
Minimum subsequent Investment	0

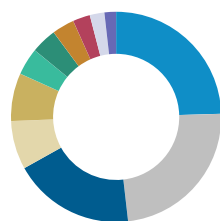
Statistics

(3 Year Annualised)	CLASS Z	INDEX
Excess Return (%)	-7.79	--
Alpha (%)	-7.50	--
Beta	1.20	1.00
Information ratio	-1.12	--
R squared	0.92	1.00
Sharpe ratio	-0.43	-0.09
Tracking error (%)	6.94	--
Volatility (Standard deviation) (%)	21.40	17.07

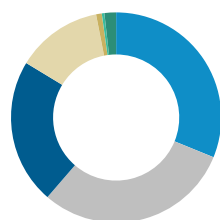
Characteristics

	FUND
Active share (%)	55.80
Dividend Yield (%)	5.64
Number of holdings	39

[†] Example: An investor wishes to purchase shares of USD 100. At the maximum sales charge of 5.75% the investor has to expend USD 106.10. The sales charge is only incurred upon subscription.

Top Countries (% of Total Net Assets)³

	FUND
United Kingdom	24.48
Germany	23.60
France	18.69
Spain	7.45
Sweden	7.35
Ireland	4.18
Netherlands	3.93
Norway	3.43
Switzerland	2.66
Other	2.24
Cash	1.78

Sector Allocation (% of Total Net Assets)^{3,4}

	FUND
Diversified	31.12
Office	30.10
Residential	22.30
Retail	13.22
Industrial/Office Mixed	0.88
Industrial	0.40
Cash	1.78

Top Holdings (% of Total Net Assets)⁵

	FUND
Vonovia Se	9.85
Gecina	7.27
Deutsche Wohnen Se	7.20
Land Securities Group plc	5.55
Klepierre	5.11
British Land Co. Ltd	4.77
Merlin Properties Socimi S.A	4.64
Hibernia REIT plc	4.18
Alstria Office REIT-AG	3.09
Fabege AB	2.85
Total	54.51

³ May not sum to 100% due to the exclusion of other assets and liabilities.

⁴ For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.

⁵ 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.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 31.10.2020 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 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

Share Class Z 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 property 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 are additional risks associated with investing in real estate.
- 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.

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.

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