

Morgan Stanley Investment Funds

Europe Opportunity Fund - IH (USD) Shares (Accumulating NAV Currency Hedged Share Class)

Investment Objective

Long term growth of your investment.

Investment Approach

The Fund seeks long-term capital appreciation by investing globally in high-quality established and emerging companies that the investment team believes are undervalued at the time of purchase. To achieve its objective, the investment team typically favors companies it believes have sustainable competitive advantages that can be monetized through growth. The investment process integrates analysis of sustainability with respect to disruptive change, financial strength, environmental and social externalities and governance (also referred to as ESG).

Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Kristian Heugh, Managing Director	2001	19
Wendy Wang, Managing Director	2012	12

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

Class IH (USD) Shares (% net of fees) in USD

Performance of 100 USD Invested Since Inception (Cash Value)



— Class IH (USD) Shares

12 Month Performance Periods to Latest Month End (%)



■ Class IH (USD) Shares

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 IH (USD) Shares	3.30	9.80	21.82	30.24	--	--	--	26.66

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 20th April 2020 the Morgan Stanley Investment Funds Eurozone Equity Alpha Fund merged into the Morgan Stanley Investment Funds European Champions Fund. Subsequently, effective 20th April 2020, the Morgan Stanley Investment Funds European Champions Fund is renamed to Morgan Stanley Investment Funds Europe Opportunity Fund, and the investment approach is revised. Prior to this date, the investment approach was "Seeks 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."

Effective 14th April 2020, the Portfolio is managed by Kristian Heugh and Wendy Wang. Prior to this date, Matthew Leeman, Riccardo Bindi, Jonathan Day and Jaymeen Patel were responsible for management of the Portfolio.

Please refer to the additional information and definitions section at the end of this document.

Share Class

Share Class	CLASS IH (USD)
Currency	U.S. dollars
ISIN	LU1387591644
Bloomberg	MSTEUH LX
Inception date	15 March 2019
Net asset value	\$ 35.96

Fund Facts

Launch date	08 April 2016
Team inception date	21-Apr-2020
Base currency	Euro
Index	MSCI Europe Index
Total net assets	€ 676.53 million
Structure	Luxembourg SICAV

Charges (%)

Charges (%)	CLASS IH (USD)
Max Entry Charge	3.00
Ongoing Charges	0.98
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)

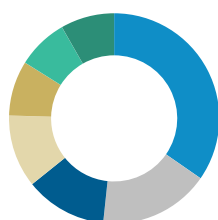
Subscriptions (USD)	CLASS IH (USD)
Minimum initial investment	0
Minimum subsequent Investment	0

Characteristics

Characteristics	FUND INDEX	
Active share (%)	93.72	--
Return on invested capital (%)	61.41	22.31
Return on assets (%)	7.53	2.86
5 year free cash flow growth (%)	16.99	5.98
5 year sales growth (%)	15.15	4.68
Net cash to equity (%)	-1	-54
Weighted average market capitalization (\$B)	32.63	67.51
Number of holdings	25	436

Top Countries (% of Total Net Assets)¹

	FUND	INDEX
United States	14.64	--
United Kingdom	14.01	21.34
Netherlands	13.41	6.99
Germany	11.47	15.45
France	8.91	17.12
Switzerland	8.89	16.69
Italy	8.47	3.58
Denmark	8.23	4.08
Sweden	5.94	5.36
Cash	8.47	--

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

	FUND	INDEX
Consumer Discretionary	35.51	10.62
Information Technology	17.43	7.73
Consumer Staples	12.88	14.84
Industrials	11.47	14.34
Communication Services	8.67	3.95
Health Care	8.02	16.30
Cash	8.47	--

Top Holdings (% of Total Net Assets)³

	FUND	INDEX
Dsv Panalpina A/S	8.23	0.40
Adyen NV	6.04	0.39
Epam Systems Inc	5.16	--
Hellofresh Se	4.97	--
Moncler SPA	4.96	0.09
Spotify Technology S.A.	4.90	--
Farfetch Ltd	4.57	--
Hermes International S.A.	4.30	0.32
Rightmove plc	3.77	--
Just Eat Takeaway	3.74	0.17
Total	50.64	--

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

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 30.09.2020 and subject to change daily.

DEFINITIONS

5 year free cash flow growth is the compound annual growth rate of Free Cash Flow over a 5-year period. It is calculated by $[\text{Free Cash Flow}(0) / \text{Free Cash Flow}(-5)]^{1/5} - 1$. **5 year sales growth** is the compound annual growth rate of Sales over the last 5 years. It is calculated by $[\text{Sales}(0) / \text{Sales}(-5)]^{1/5} - 1$. **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. **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. **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

Share Class IH (USD) 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 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.
- In order to achieve the currency hedging, this share class relies on other parties to fulfil certain contractual obligations, as these parties may fail to do so there is a higher risk to your investment.
- 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
I	EUR	08.04.2016	LU1387591560	MSTEUCI LX

the value of the assets of a fund less its liabilities. **Net cash to equity** is the ratio of a company's cash on hand against the total net worth of the company. It is calculated by $[(\text{Total Cash and cash equivalents} - \text{Total Liabilities}) / \text{Shareholder's Equity}]$. **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. **Return on assets (ROA)** is a measure of a company's profitability, equal to a fiscal year's earnings divided by its total assets, expressed as a percentage. **Return on invested capital (ROIC)** represents the performance ratio measuring a company's percentage return on its invested capital. Income statement items as of latest reported fiscal period, and Balance Sheet items from one period earlier. ROIC is calculated by dividing Net Income by (Property, Plant & Equipment + Working Capital + Short Term Debt - Cash & Equivalents). ROIC has a cap of 200% and a floor of 0%, ex Financials and Real Estate Sectors. **Weighted average market capitalization** is an average of the market capitalization of stocks comprising a portfolio or index, adjusted by each stock's weight in the portfolio or index.

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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