

## A Sub-Fund of Morgan Stanley Investment Funds

# Euro Strategic Bond Fund

(Distributing Share Class)

### Investment Objective

To provide an attractive rate of relative return.

### Investment Approach

Seeks to provide an attractive rate of relative return, measured in Euro, through investment primarily in issues of Euro denominated fixed income securities whether issued by corporations, government or government guaranteed issuers. The Fund may, on an ancillary basis, invest in non-euro denominated fixed income securities. Non-Euro currency exposure may be hedged back to the Euro.

### Investment Team

	JOINED FIRM	YEARS OF INDUSTRY EXPERIENCE
Leon Grenyer, Head of European Multi-Sector	2002	29
Anton Heese, Executive Director	2009	24
Dipen Patel, Executive Director	2009	16

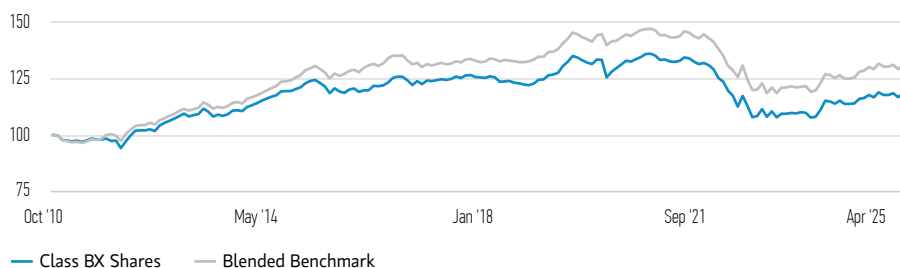
Team members may be subject to change at any time without notice.

Effective 30 August 2024, Richard Ford is no longer serving as Portfolio Manager, and Dipen Patel was added as Portfolio Manager on the Fund.

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

Performance of 100 EUR Invested Since Inception (Cash Value)

Past performance is not a reliable indicator of future results.



### 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 BX Shares	1.18	0.34	0.35	3.86	-0.42	-1.60	-0.41	1.15
Blended Benchmark	1.67	0.78	0.76	5.08	0.17	-1.49	0.15	1.90

### Calendar Year Returns (%)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Class BX Shares	2.21	6.65	-17.58	-3.77	3.54	7.09	-2.33	14.7	4.05	-1.73
Blended Benchmark	2.63	7.19	-17.17	-2.85	4.05	5.98	0.41	0.68	3.32	1.00

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 shares. The sources for all performance and index data is Morgan Stanley Investment Management (MSIM Ltd).

The value of the investments and the income from them can go down as well as up and an investor may not get back the amount invested.

### BROAD MARKETS FIXED INCOME TEAM

Share Class	CLASS BX
Currency	Euro
ISIN	LU0520329623
Bloomberg	MSESBBX LX
Inception date	19 October 2010
Net asset value	€ 26.55

### Fund Facts

Launch date	01 February 1991
Base currency	Euro
Primary Benchmark	Bloomberg Euro-Aggregate Index
Custom Benchmark	Blended Benchmark
Total net assets	€ 1.1 billion
Structure	Luxembourg SICAV
SFDR Classification <sup>†</sup>	Article 8

### Charges (%)

	CLASS BX
Max Entry Charge	0.00
Ongoing Charges	2.04
Management Fee	0.80

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), custodian, and administration charges. For more information please see the Charges and Expenses section of the prospectus.

The fees provided are only attributable to the Morgan Stanley Investment Funds (SICAV) and do not include any additional fees which may be incurred if packaged in a product.

### Subscriptions (USD)

	CLASS BX
Minimum initial investment	0
Minimum subsequent investment	0

### Statistics (3 Year Annualised)

	CLASS BX	INDEX
Excess Return (%)	-0.59	--
Alpha (%)	-0.57	--
Beta	1.01	1.00
Information ratio	-0.38	--
R squared	0.95	1.00
Sharpe ratio	-0.45	-0.38
Tracking error (%)	1.54	--
Volatility (Standard deviation) (%)	7.12	6.91

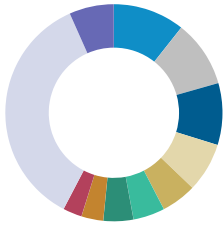
Risk/Return statistics shown are calculated versus the Blended Benchmark when an Index is used in the calculation.

### Characteristics

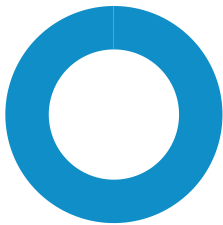
	FUND	INDEX
Duration (years)	6.57	6.26
Average yield to maturity (%)	3.28	2.73
Number of holdings	535	7,528

Sector Allocation (% of Total Net Assets) <sup>1,2</sup>	FUND
Treasuries	24.14
Sovereign	6.53
Government Related	18.20
Investment Grade Corporates	25.35
Industrial	9.29
Financial Institutions	12.84
Utility	3.23
High Yield Corporates	6.34
NR Corporates	0.42
Covered	11.15
Agency RMBS	0.90
Non-Agency RMBS	0.11
ABS	0.23
Interest Rate Swaps	-0.04
Cash & Equivalents	6.66

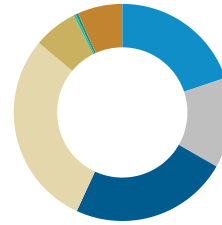
Top Countries (% of Total Net Assets) <sup>1</sup>	FUND
Spain	10.66
Italy	9.94
France	9.21
Supranational	7.34
U.S.	5.25
United Kingdom	4.71
Germany	4.47
Netherlands	3.27
Australia	2.83
Other	35.67
Cash	6.66



Currency Allocation (% of Total Net Assets) <sup>1</sup>	FUND
Euro	100.09
US Dollar	0.02
British Pound	0.01
Swedish Krona	-0.01
Indonesian Rupiah	-0.02
New Zealand Dollar	-0.02
Japanese Yen	-0.06



Quality Distribution (% of Total Net Assets) <sup>1,3</sup>	FUND
AAA	19.86
AA	13.43
A	23.60
BBB	29.16
BB	6.55
B	0.35
Not Rated	0.39
Cash	6.66



### Share Class BX Risk and Reward Profile

- The fund may be impacted by movements in the exchange rates between the fund's currency and the currencies of the fund's investments.
- The value of bonds are likely to decrease if interest rates rise and vice versa.
- The value of financial derivative instruments are highly sensitive and may result in losses in excess of the amount invested by the Sub-Fund.
- Issuers may not be able to repay their debts, if this happens the value of your investment will decrease. This risk is higher where the fund invests in a bond with a lower credit rating.
- 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.
- Sustainability factors can pose risks to investments, for example: impact asset values, increased operational costs.
- There may be an insufficient number of buyers or sellers which may affect the funds ability to buy or sell securities.
- Investment in Fixed Income Securities via the China Interbank Bond Market may also entail additional risks, such as counterparty and liquidity risk.
- 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 B Share Classes

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
B	EUR	01.09.1997	LU0073234766	MOREUBB LX

Please refer to the Prospectus for full risk disclosures, available at [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com). All data as of 30.04.2025 and subject to change daily.

<sup>†</sup> This Fund is classified as an Article 8 product under the Sustainable Finance Disclosure Regulation. Article 8 products are those which promote environmental or social characteristics and which integrate sustainability into the investment process in a binding manner.

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

<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> Quality distribution data for securities is sourced from Fitch, Moody's and S&P. Where the credit ratings for individual securities differ between the three ratings agencies, the 'highest' rating is applied. The rating of credit default swaps is based on the 'highest' rating of the underlying reference bond. 'Cash' includes investments in short term instruments, including investments in Morgan Stanley liquidity funds.

Applications for shares in the Sub-Fund should not be made without first consulting the current Prospectus and the Key Information Document ("KID") or Key Investor Information Document ("KIID"), which are available in English and in the language of countries authorized for fund distribution and is available online at [Morgan Stanley Investment Funds Webpages](http://Morgan Stanley Investment Funds Webpages) or free of charge from the Registered Office at European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192.

The summary of investor rights is available in the aforementioned languages and website location under the General Literature section.

Information in relation to sustainability aspects of the Fund is available in English online at: [Sustainable Finance Disclosure Regulation](http://Sustainable Finance Disclosure Regulation).

If the management company of the relevant Fund decides to terminate its arrangement for marketing that Fund in any EEA country where it is registered for sale, it will do so in accordance with the UCITS rules.

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The use of leverage increases risks, such that a relatively small movement in the value of an investment may result in a disproportionately large movement, unfavourable as well as favourable, in the value of that investment and, in turn, the value of the Fund.

Investment in the Fund concerns the acquisition of units or shares in a fund, and not in a given underlying asset such as building or shares of a company, as these are only the underlying assets owned.

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### DEFINITIONS

**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. **Average yield to maturity** measures the annual return on interest-bearing securities. In this it is assumed that they will be held to maturity. This metric includes both the coupon payments received during the term of the security and the repayment of the capital on maturity. **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**

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#### INDEX INFORMATION

The **Blended Index** performance shown is calculated using the **JPM Euro Trade Index** from inception through 14 December 1998, then the **MSCI Euro Debt Index** from 15 December 1998 through 30 April 2007 and the **Bloomberg Euro-Aggregate Index** thereafter.

The **Bloomberg Euro Aggregate Bond Index** is a benchmark that measures the investment grade, euro-denominated, fixed-rate bond market, including treasuries, government-related, corporate and securitized issues. Inclusion is based on currency denomination of a bond and not country of risk of the issuer.

**MSCI Euro Debt Index** is a broad-based benchmark for the sovereign and credit bond markets. It includes fixed rate debt denominated in the euro, or the various European Economic and Monetary Union (EMU) currencies, and rates as investment grade.

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A blended benchmark has been used because there has been a change in benchmark during the reporting period shown.

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