

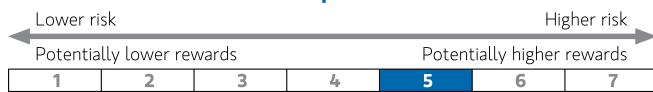
Morgan Stanley Investment Funds

European Equity Alpha Fund

Investment objective

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.

Share Class I Risk and Reward profile



The higher the category (1 - 7), the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk-free investment.

Download the fund's Key Investor Information document for share class tailored risk ratings and warnings at: www.morganstanleyinvestmentfunds.com

Class I shares vs. benchmark¹

Performance of 100 Euro invested since inception



Returns in Euro vs. benchmark¹

Fund (net of fees) %

Period	I	A	AH (USD)	B	Index
One month	1.87	1.80	1.94	1.72	1.96
Last three months	4.39	4.23	4.65	3.96	5.10
YTD	9.59	9.07	10.48	8.16	11.70
One year	17.55	16.89	18.56	15.71	19.52
Three years (annualised)	5.11	4.52	4.91	3.47	8.05
Five years (annualised)	8.40	7.79	-	6.71	10.48
Ten years (annualised)	2.99	2.42	-	1.39	2.87
Since inception (annualised)	7.44	n/a	n/a	n/a	7.66

% 12 month returns

31.10.16 - 31.10.17	17.55	16.89	18.56	15.71	19.52
31.10.15 - 31.10.16	(9.40)	(9.94)	(9.19)	(10.81)	(6.76)
31.10.14 - 31.10.15	9.06	8.46	7.26	7.36	13.19
31.10.13 - 31.10.14	6.00	5.38	5.22	4.34	7.20
31.10.12 - 31.10.13	21.60	20.93	-	19.70	21.72

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.

Morningstar Overall Rating

Class I shares



EAA Fund Europe Large-Cap Blend Equity
Out of 1414 Funds. Based on Risk Adjusted Return.

Fund facts

Fund launch	March 1991
Investment team	Matthew Leeman, Riccardo Bindi, Jonathan Day, Jaymeen Patel
Location	London
Base currency	Euro
Benchmark	MSCI Europe (Net) Index
Total assets	€ 369.9 million
NAV Class I	€ 52.32

Portfolio characteristics	Fund	Index
P/CF	10.82	9.79
P/BV	2.28	1.96
P/E	21.24	19.08
Dividend Yield	3.07	2.97
Number of holdings	43	445

Top 10 holdings (% of Total Net Assets)	Fund	Index
Nestle S.A.	4.54	2.80
British American Tobacco plc	3.52	1.59
Novartis AG	3.29	1.96
Royal Dutch Shell plc	3.25	2.79
BP plc	3.17	1.42
Sap Se	3.05	1.19
Prudential plc	2.92	0.68
Asml Holding NV	2.91	0.72
Bayer AG	2.86	1.15
Bnp Paribas	2.79	0.94
Total	32.30	-

Geographic distribution (% of Total Net Assets)

Net Assets	Fund	Index
United Kingdom	25.61	27.54
France	17.47	16.77
Germany	16.25	15.24
Switzerland	15.83	12.45
Netherlands	12.38	5.76
Denmark	2.54	2.91
Spain	2.54	5.31
Sweden	2.13	4.49
Ireland	2.13	0.70
Other	1.38	-
Cash & Equivalents	1.73	-
Total	100.00	-

Sector distribution (% of Total)

Net Assets	Fund	Index
Financials	18.49	20.98
Health Care	15.44	12.30
Consumer Staples	14.82	13.75
Industrials	12.79	13.33
Consumer Discretionary	8.92	10.63
Information Technology	8.08	4.94
Energy	6.42	7.26
Telecommunication Services	5.31	3.75
Materials	5.12	8.06
Other	2.88	-
Cash & Equivalents	1.73	-
Total	100.00	-

Statistics (Class I shares)

	Fund	Index
Alpha	(2.93)	-
Beta	1.03	1.00
R squared	0.95	1.00
Information ratio	(0.96)	-
Tracking error	3.06	-
Fund volatility (Standard deviation)	13.85	13.10

Based on monthly observations, annualised over last 3 years.

Charges

	Z	I	A	B	C
Ongoing charges % ²	0.85	0.89	1.44	2.44	2.14
Management Fee %	0.70	0.70	1.20	1.20	1.90

Share Class

Share Class	CCY	ISIN	Bloomberg	Launch
A	EUR	LU0073234501	MOREUEI LX	01.02.1997
AH (USD)	USD	LU0882239428	MSEEAAH LX	31.01.2013
B	EUR	LU0073234923	MOREUEB LX	01.07.1997
BR	EUR	LU1033668440	MSEEABR LX	05.03.2014
C	EUR	LU0176197563	MOREEQC LX	25.07.2008
CR	EUR	LU1033668523	MSEEACR LX	05.03.2014
I	EUR	LU0034265305	MORIEUE LX	05.03.1991
IH (USD)	USD	LU1038895964	MSEEAIH LX	03.03.2014
Z	EUR	LU0360480262	MOREUEZ LX	08.07.2008
Z (GBP)	GBP	LU0963401335	MSEALZG LX	16.08.2013

Footnotes

Publication date: 16 November 2017.

¹ See the 'Share Class' section for inception date(s).

² The Ongoing Charges Figure ("OCF") reflects the payments and expenses which cover aspects of operating the fund and is deducted from the assets over the period. It includes fees paid for investment management, trustee/custodian, and administration charges.

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.

Morningstar

Ratings: The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account sales loads.

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Copies of the Prospectus, Key Investor Information Document, 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 source for all performance and index data is Morgan Stanley Investment Management Limited. Calculations are NAV to NAV. Performance is quoted net of fees and with income reinvested.

For cash management purposes the Fund may invest in shares in the Liquidity Funds of Morgan Stanley Liquidity Funds.

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