

Morgan Stanley Investment Funds

Eurozone 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 domiciled or exercising the predominant part of their economic activity in the Eurozone. 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. benchmark^{1,2}

Performance of 100 Euro invested since inception



Returns in Euro vs. benchmark^{1,2}

Fund (net of fees) %

Period	I	A	AH (USD)	B	Index
One month	2.51	2.43	2.56	2.35	2.43
Last three months	5.80	5.64	6.01	5.30	6.48
YTD	14.10	13.37	14.84	12.41	15.86
One year	21.92	21.01	22.77	19.79	23.52
Three years (annualised)	9.99	9.24	9.69	8.15	10.78
Five years (annualised)	12.65	11.88	-	10.76	12.45
Ten years (annualised)	3.80	3.06	-	2.02	1.84
Since inception (annualised)	2.38	n/a	n/a	n/a	1.97

% 12 month returns

31.10.16 - 31.10.17	21.92	21.01	22.77	19.79	23.52
31.10.15 - 31.10.16	(4.24)	(4.87)	(4.07)	(5.88)	(4.99)
31.10.14 - 31.10.15	13.98	13.25	12.04	12.18	15.86
31.10.13 - 31.10.14	4.70	4.02	3.82	2.99	4.06
31.10.12 - 31.10.13	30.22	29.26	-	27.98	27.12

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 Eurozone Large-Cap Equity

Out of 954 Funds. Based on Risk Adjusted Return.

Fund facts

Fund launch	April 2000
Investment team	Matthew Leeman, Riccardo Bindi, Jonathan Day, Jaymeen Patel
Location	London
Base currency	Euro
Benchmark	MSCI EMU (Net) Index
Total assets	€ 870.2 million
NAV Class I	€ 15.13

Portfolio characteristics	Fund	Index
P/CF	7.99	7.48
P/BV	2.31	1.79
P/E	20.11	17.59
Dividend Yield	2.64	2.53
Number of holdings	31	241

Top 10 holdings (% of Total Net Assets)	Fund	Index
Sap Se	5.03	2.32
Allianz Se	4.72	2.20
Bayer AG	4.66	2.23
Asml Holding NV	4.39	1.39
Bnp Paribas	4.35	1.81
Siemens AG	4.32	2.26
Unilever NV	4.32	1.96
ING Groep NV	4.13	1.49
Airbus Se	3.80	1.23
AXA	3.69	1.21
Total	43.41	-

Geographic distribution (% of Total Net Assets)

	Fund	Index
Germany	33.15	29.58
France	27.33	32.54
Netherlands	20.55	11.17
Spain	6.36	10.30
Italy	5.36	7.33
Ireland	3.44	1.37
United Kingdom	2.16	-
Cash & Equivalents	1.65	-
Total	100.00	-

Sector distribution (% of Total

Net Assets)	Fund	Index
Financials	19.19	20.44
Industrials	15.47	14.86
Health Care	12.55	8.17
Information Technology	12.34	8.05
Consumer Discretionary	11.07	13.77
Consumer Staples	9.42	10.15
Materials	5.98	8.59
Energy	5.21	5.21
Telecommunication Services	4.69	3.87
Other	2.43	-
Cash & Equivalents	1.65	-
Total	100.00	-

Statistics (Class I shares)

	Fund	Index
Alpha	(0.79)	-
Beta	0.99	1.00
R squared	0.95	1.00
Information ratio	(0.23)	-
Tracking error	3.45	-
Fund volatility (Standard deviation)	15.02	14.75
Based on monthly observations, annualised over last 3 years.		

Charges

	Z	I	A	B
Ongoing charges % ³	0.90	0.94	1.64	2.64
Management Fee %	0.75	0.75	1.40	1.40

Share Class	CCY	ISIN	Bloomberg	Launch
A	EUR	LU0109967165	MOREFAI LX	05.04.2000
AH (USD)	USD	LU0882239345	MSEZEAH LX	31.01.2013
AR	EUR	LU1033675908	MSEZEAL LX	05.03.2014
B	EUR	LU0109967249	MOREFBI LX	04.06.2000
BR	EUR	LU1033676468	MSEZEAL LX	05.03.2014
CR	EUR	LU1033677193	MSEZEAL LX	05.03.2014
I	EUR	LU0109967595	MOREFII LX	05.04.2000
IH (USD)	USD	LU1038803356	MSEZEIH LX	03.03.2014
Z	EUR	LU0360482128	MSEZOZU LX	27.06.2008

Footnotes

Publication date: 16 November 2017.

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

² The benchmark for the Fund is a blend of the MSCI Europe (Net) Index to 31 October 2006, the MSCI Europe (Net) Hedged Index to 31 May 2007 and the MSCI EMU (Net) Index thereafter. The benchmark is calculated by geometrically chain-linking the monthly returns.

³ 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 2,106,232 and EUR 947,197, respectively, enhancing the overall 2010 fund's performance by 458bps.

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. © 2017 Morningstar. All Rights Reserved. The information contained herein:

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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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