

Global Asset Backed Securities Fund - AR Shares

(Discretionary Distributing Share Class)

Investment Objective

To generate income and the long term growth of your investment.

Investment Approach

Seeks to provide an attractive rate of total return, measured in U.S. dollars, through investment primarily in fixed income securities that are mortgage-backed securities, commercial mortgage-backed securities, collateralized mortgage obligations and covered bonds that are covered by mortgages ('mortgage backed securities').

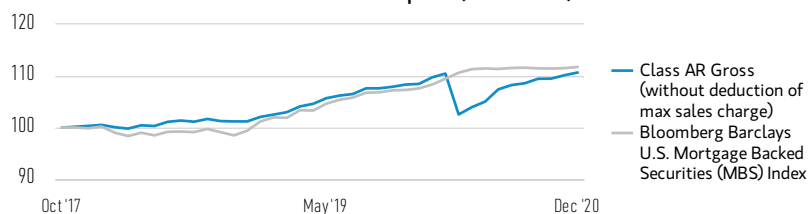
Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Gregory A. Finck, Managing Director	2014	29
Neil Stone, Managing Director	1995	36

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

Class AR Shares (% net of fees) vs. Index in USD

Performance of 100 USD Invested Since Inception (Cash Value)



12 Month Performance Periods to Latest Month End (%)^{12†}

	DEC '19 - DEC '20	DEC '18 - DEC '19	DEC '17 - DEC '18	DEC '16 - DEC '17	DEC '15 - DEC '16
Class AR Gross (without deduction of max sales charge) ¹	2.04	6.28	1.53	--	--
Class AR Net (with the deduction of max sales charge) ²	-2.04	2.03	-2.52	--	--
Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index	3.87	6.35	0.99	--	--

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 AR Gross (without deduction of max sales charge) ¹	0.48	1.11	2.04	2.04	3.26	--	--	3.20
Class AR Net (with the deduction of max sales charge) ²	-3.54	-2.93	-2.04	-2.04	1.87	--	--	1.90
Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index	0.22	0.24	3.87	3.87	3.71	--	--	3.51

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014
Class AR Gross (without deduction of max sales charge) ¹	2.04	6.28	1.53	--	--	--	--
Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index	3.87	6.35	0.99	--	--	--	--

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.

[†] 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.

Share Class

	CLASS AR
Currency	U.S. dollars
ISIN	LU0960658093
Bloomberg	MSGMSAR LX
Inception date	11 October 2017
Net asset value	\$ 25.26

Fund Facts

Launch date	03 December 2012
Base currency	U.S. dollars
Index	Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index
Total net assets	\$ 1.2 billion
Structure	Luxembourg SICAV

Charges (%)

	CLASS AR
Max Entry Charge	4.00
Ongoing Charges	1.24
Management Fee	1.00

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 AR
Minimum initial investment	0
Minimum subsequent Investment	0

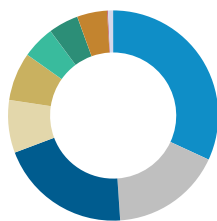
Statistics

	CLASS AR	INDEX
Excess Return (%)	-0.45	--
Alpha (%)	1.61	--
Beta	0.04	1.00
Information ratio	-0.09	--
R squared	0.00	1.00
Sharpe ratio	0.35	0.98
Tracking error (%)	5.27	--
Volatility (Standard deviation) (%)	4.83	2.20

Characteristics

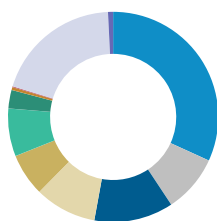
	FUND	INDEX
Duration (years)	2.16	2.98
Average quality	A-	AAA/AA1
Average yield to maturity (%)	3.45	0.99

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



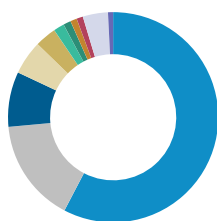
	FUND
Non-US RMBS	31.90
US Agency Passthroughs	17.04
US Non-Agency RMBS	20.35
US Non-Agency CMBS	8.10
US ABS	7.44
Non-US ABS	5.03
Non-US CMBS	4.62
US Agency CMOs	4.62
US Agency CMBS	0.13
Cash / FX	0.79

Quality Distribution (% of Total Net Assets)^{3,5}



	FUND
AAA	31.82
AA	8.87
A	12.20
BBB	9.50
BB	6.56
B	7.35
CCC	2.85
CC	0.45
D	0.12
Not Rated	19.50
Cash	0.79

Top Countries (% of Total Net Assets)³



	FUND
U.S.	57.67
United Kingdom	15.87
Netherlands	8.47
Spain	5.23
Ireland	3.30
Germany	1.65
Cayman Islands	1.16
Italy	1.01
Greece	0.98
Other	3.87
Cash	0.79

³ May not sum to 100% due to rounding.
⁴ For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.
⁵ 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.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 31.12.2020 and subject to change daily.

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 quality** – average credit quality gives a snapshot of the portfolio's overall credit quality. It is an average of each security's credit rating, adjusted for its relative weighting in the portfolio. **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** stands for 'Bloomberg Global Identifier (BGGID)'. This is a

Share Class AR Risk and Reward Profile



- 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 fixed income securities and the fund's simulated and/or realised return has experienced medium 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 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.
 - There may be an insufficient number of buyers or sellers which may affect the funds ability to buy or sell securities.
 - There are increased risks of investing in emerging markets as political, legal and operational systems may be less developed than in developed markets.
 - 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 A Share Classes

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
A	USD	03.12.2012	LU0858068074	MSGMSCA LX
AH (EUR)	EUR	03.12.2012	LU0858068660	MSGMSAH LX
AH (GBP)	GBP	26.06.2017	LU1628790146	MSGMAHG LX
AH (SEK)	SEK	06.06.2017	LU1610904259	MSGMAHS LX
AHR (EUR)	EUR	04.05.2018	LU0857970346	MSGMAHR LX
AHX (EUR)	EUR	04.05.2018	LU0858068744	MSGMAHX LX

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. **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. **Duration** is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. **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. **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 **Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index** tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage. The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to invest directly in an index.

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