

Morgan Stanley Investment Funds

Global Balanced Income Fund - Z Shares (Accumulation Share Class)

Investment Objective

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

Investment Approach

Seeks an attractive level of total return by managing a broad asset mix within a targeted risk range of 4-10%, which is subject to change. The fund invests primarily in equities, fixed income, commodity-linked investments and cash. Income is enhanced by the sale of put options on major equity indices. Derivatives such as index futures are used for efficient portfolio management.

Investment Team

| | JOINED FIRM | YEARS OF INVESTMENT EXPERIENCE |
|-------------------------------------|-------------|--------------------------------|
| Andrew Harmstone, Managing Director | 2008 | 38 |
| Manfred Hui, Managing Director | 2007 | 13 |

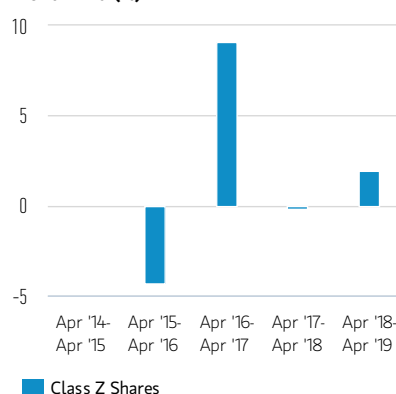
Team members may be subject to change at any time without notice.

Class Z Shares (% net of fees) in EUR

Performance of 100 EUR Invested Since Inception (Cash Value)



12 Month Performance Periods to Latest Month End (%)



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 Z Shares | 1.28 | 4.09 | 6.68 | 1.94 | 3.53 | -- | -- | 3.92 |

Calendar Year Returns (%)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|----------------|-------|------|------|------|------|------|------|
| Class Z Shares | -6.23 | 4.75 | 4.83 | 5.08 | -- | -- | -- |

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.

The investment team do not target a benchmark index when managing the portfolio.

Share Class

| | CLASS Z |
|-----------------|--------------|
| Currency | Euro |
| ISIN | LU1078119408 |
| Bloomberg | MSGBINZ LX |
| Inception Date | 31 July 2014 |
| Net Asset Value | € 30.01 |

Fund Facts

| | |
|---------------|------------------|
| Launch date | 31 July 2014 |
| Base currency | Euro |
| Total assets | € 493.29 million |
| Structure | Luxembourg SICAV |

Charges (%)

| | CLASS Z |
|------------------|---------|
| Max Entry Charge | 1.00 |
| Ongoing Charges | 0.97 |
| 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), trustee/custodian, and administration charges. For more information please see the Charges and Expenses section of the prospectus.

Subscriptions (USD)

| | CLASS Z |
|-------------------------------|---------|
| Minimum Initial Investment | 0 |
| Minimum Subsequent Investment | 0 |

Statistics (3 Year annualised)

| | CLASS Z |
|-------------------------------------|---------|
| Volatility (Standard deviation) (%) | 4.43 |
| Sharpe ratio | 0.87 |

Options Exposure

| | FUND |
|---|------|
| Effective equity exposure (including options and futures) | 0.52 |

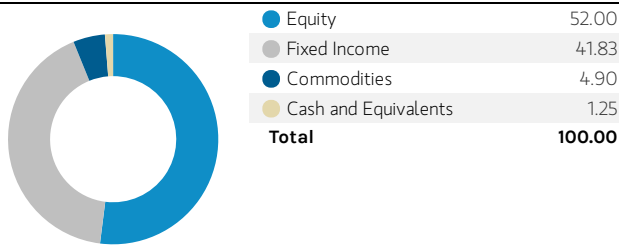
Target Income

| | FUND |
|-------------------|-------------|
| Underlying assets | 2.00 |
| Options related | 2.00 |
| Total | 4.00 |

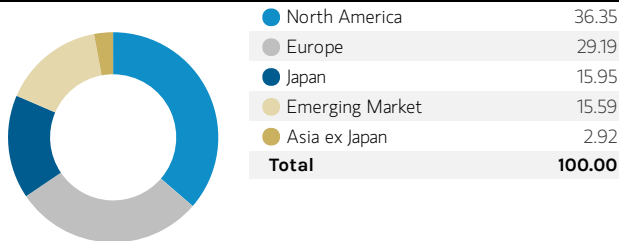
Characteristics

| | FUND |
|------------------|------|
| Duration (years) | 1.93 |

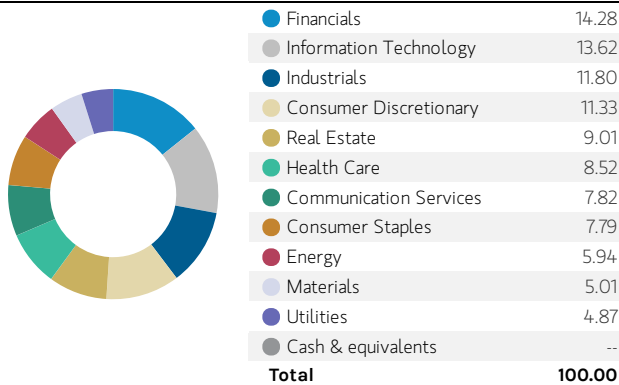
Asset Breakdown (% of Total Net Assets)¹



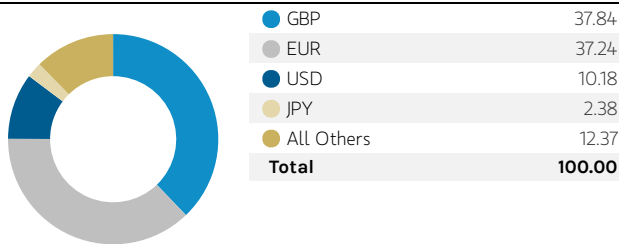
Regional Exposure (% of Equity)¹



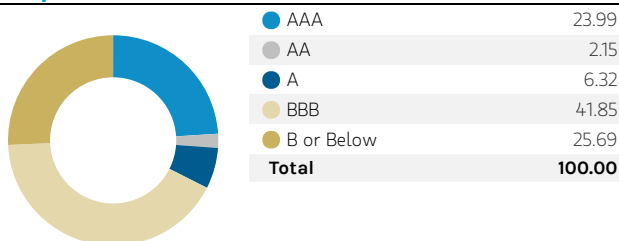
Sector Distribution (% of Equity)^{1,2}



Currency Exposure (% of Total Portfolio)¹



Quality Distribution S&P (% of Fixed Income)^{1,3}



Share Class Z 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 a range of assets with different levels of risk 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 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.
- The derivative strategy aims to increase the income paid to investors, but there is potential for the fund to suffer losses.
- 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 Z Share Classes

| | CURRENCY | LAUNCH | ISIN | BLOOMBERG |
|-----------|----------|------------|--------------|------------|
| ZH (USD) | USD | 07.02.2017 | LU1559459315 | MSGBZHU LX |
| ZHR (GBP) | GBP | 31.07.2015 | LU1268547731 | MSGZHRG LX |
| ZR | EUR | 24.11.2017 | LU1725244864 | MSGBZRE LX |

¹May not sum to 100% due to rounding.

²For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.

³Quality 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 30.04.2019 and subject to change daily.

DEFINITIONS

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. **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. **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. **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. **Volatility (Standard deviation)** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value.

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