

Morgan Stanley Investment Funds

Japanese Equity Fund - Z Shares (Accumulation Share Class)

Investment Objective

Long term growth of your investment.

Investment Approach

Seeks long-term capital appreciation measured in Japanese yen, by investing primarily in the equity securities of companies domiciled in or exercising the predominant part of their economic activity in Japan and which are listed on any exchanges or over-the-counter markets.

Investment Team

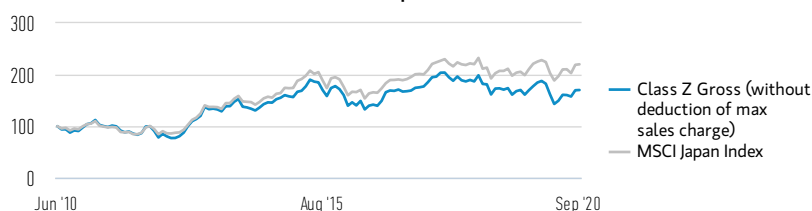
	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Yasuyuki Ochi, CMA, Mitsubishi UFJ Asset Management Co., Ltd.	2014	19

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

Mitsubishi UFJ Asset Management (UK) Ltd started to manage the fund in July 2014.

Class Z Shares (% net of fees) vs. Index in JPY

Performance of 100 JPY Invested Since Inception (Cash Value)



12 Month Performance Periods to Latest Month End (%)^{1,2†}

	SEP '19 - SEP '20	SEP '18 - SEP '19	SEP '17 - SEP '18	SEP '16 - SEP '17	SEP '15 - SEP '16
Class Z Gross (without deduction of max sales charge) ¹	0.17	-14.51	7.24	32.74	-11.91
Class Z Net (with the deduction of max sales charge) ²	-0.83	-15.37	6.17	31.42	-12.79
MSCI Japan Index	4.40	-9.32	11.20	26.83	-5.19

Investment Performance (% net of fees) in JPY

	Cumulative (%)				Annualised (% p.a.)			
	1 M	3 M	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class Z Gross (without deduction of max sales charge) ¹	0.26	6.10	-9.38	0.17	-2.80	1.44	6.36	5.30
Class Z Net (with the deduction of max sales charge) ²	-0.74	5.04	-10.29	-0.83	-3.12	1.23	6.25	5.20
MSCI Japan Index	0.49	4.61	-3.55	4.40	1.73	4.83	8.71	7.97

Calendar Year Returns (%)

	2019	2018	2017	2016	2015	2014	2013
Class Z Gross (without deduction of max sales charge) ¹	16.25	-20.72	20.43	-1.56	8.88	3.43	52.45
MSCI Japan Index	18.48	-15.15	19.75	-0.74	9.93	9.48	54.58

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.

Calculations are based on the close of business NAV which is valued at the close of the Tokyo Stock Exchange (15.00 JST). This NAV may differ from the official NAV of the fund which is calculated during the Luxembourg business day. All subscriptions and redemptions will be dealt at the official NAV.

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.

Share Class

	CLASS Z
Currency	Japanese yen
ISIN	LU0512094433
Bloomberg	MSJPEQZ LX
Inception date	14 June 2010
Net asset value	¥ 4,255.70

Fund Facts

Launch date	14 June 2010
Base currency	Japanese yen
Index	MSCI Japan Index
Total net assets	¥ 7.2 billion
Structure	Luxembourg SICAV

Charges (%)

	CLASS Z
Max Entry Charge	1.00
Ongoing Charges	0.90
Management Fee	0.75

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	INDEX
Excess Return (%)	-4.53	--
Alpha (%)	-4.74	--
Beta	1.13	1.00
Information ratio	-0.95	--
R squared	0.94	1.00
Tracking error (%)	4.76	--
Volatility (Standard deviation) (%)	18.32	15.82
Down-capture ratio (%)	123.80	100.00
Up-capture ratio (%)	105.20	100.00

Characteristics

	FUND	INDEX
Number of holdings	37	320
Price/cash flow	4.07	5.52
Price/book	1.08	1.32

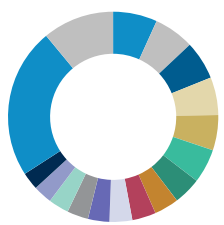
Please see the Fund's current prospectus and the share class' Key Investor Information Document for complete details on fees and sales charges.

[†] 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.

Top Holdings (% of Total Net Assets)³

	FUND	INDEX
Softbank Corp	5.08	3.63
Ryohin Keikaku Co. Ltd	4.16	0.11
NEC Corp	3.82	0.41
Fujitsu Ltd	3.65	0.76
Itochu Corp	3.62	0.97
Open House Co. Ltd	3.49	--
Takeda Pharmaceutical Company Limited	3.46	1.58
Nojima Corp	3.33	--
Daiwa House Industry Co. Ltd	3.33	0.41
Megmilk Snow Brand Co. Ltd	3.29	--
Total	37.23	--

Industry Distribution (% of Total Net Assets)^{4,5}



	FUND	INDEX
● It Services	7.48	2.59
● Real Estate Management & Development	6.82	2.05
● Specialty Retail	6.54	1.96
● Wireless Telecommunication Services	6.39	5.95
● Food Products	5.98	1.56
● Beverages	5.79	1.19
● Semiconductors & Semiconductor Equipment	4.66	2.19
● Multiline Retail	4.16	0.53
● Machinery	4.02	5.55
● Banks	3.87	4.41
● Trading Companies & Distributors	3.62	3.67
● Auto Components	3.59	2.16
● Pharmaceuticals	3.46	7.26
● Household Durables	3.21	4.11
● Insurance	2.97	2.42
● Other	25.47	--
● Cash	12.11	--

Share Class Z 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 company shares 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 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.
- 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 (EUR)	EUR	29.09.2010	LU0512095166	MSJPEZH LX

³ These securities and percentage allocations are only for illustrative purposes and do not constitute, and should not be construed as, investment advice or recommendations with respect to the securities or investments mentioned.

⁴ May not sum to 100% due to the exclusion of other assets and liabilities.

⁵ For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 30.09.2020 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. **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 (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. **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. **Number of holdings** provided are a typical range, not a maximum number. The portfolio may exceed this from time to time due to market conditions and outstanding trades. **Price/book (P/BV)** compares a stock's market value to the book value per share of total assets less total liabilities. This number is used to judge whether a stock is undervalued or overvalued. **Price/cash flow (P/CF)** is a ratio used to compare a company's market value to its cash flow. It is calculated by dividing the company's per-share stock price by the per-share operating cash flow. **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. **Tracking error** is the standard deviation of the difference between the returns of an investment and its benchmark.

Upside/downside market capture measures annualized performance in up/down markets relative to the market 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 **MSCI Japan Index** is a free-floated adjusted market capitalization weighted index that is designed to track the equity market performance of Japanese securities listed on the Tokyo Stock Exchange, Osaka Stock Exchange, JASDAQ and Nagoya Stock Exchange. The MSCI Japan Index is constructed based on the MSCI Global Investable Market Indices Methodology, targeting a free-float market capitalization coverage of 85%.

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