

# Morgan Stanley

## INVESTMENT MANAGEMENT

Morgan Stanley Investment Funds

### NextGen Emerging Markets Fund - A Shares (Accumulation Share Class)

#### Important information

- The Fund invests primarily in equity securities of issuers in emerging market countries, including frontier market countries, and upcoming developing markets.
- Investment involves risks. Key risks for this fund include Risk of Investment in Equity, Emerging Market Risk, Exchange Rate Risk and Risk of Exposure to the Euro and Eurozone.
- There is a risk that you may potentially lose your entire investment in this Fund.
- The investment decision is yours but you should not invest unless the intermediary who sells it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives. You should not make any investment decision solely based on this document. Please read the relevant offering document carefully for further fund details including risk factors.

#### Investment Approach

We look for the next generation investment ideas in emerging and frontier markets. We focus on overlooked consumer markets in the early stages of the digital revolution, which offers significant business opportunities for innovative companies, and a path towards more sustainable development. Based on a rigorous and repeatable investment process, we run a concentrated portfolio of dynamic companies with the capacity to generate attractive and sustainable returns to investors over the long-term.

#### Investment Team

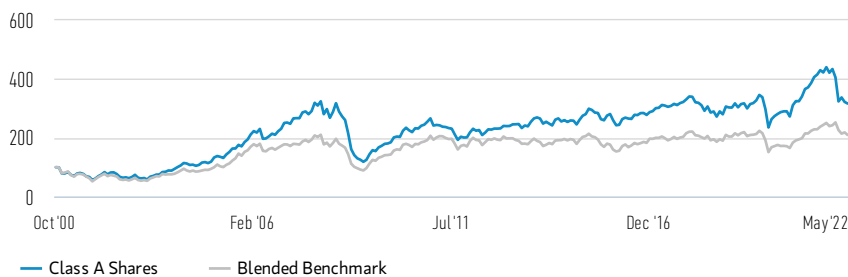
	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Steven Quatry, Executive Director	2011	18
Jorge Chirino, Executive Director	2007	16

Team members may be subject to change at any time without notice. Effective May 16, 2022, Eric Carlson and Paul Psaila no longer serves as Portfolio Managers on the Portfolio. Effective May 16, 2022, Steven Quatry was added as Co-Lead Portfolio Manager on the Portfolio.

#### Class A Shares (% net of fees) vs. Index in EUR

##### Performance of 100 EUR Invested Since Inception (Cash Value)

Past performance is not a reliable indicator of future results.



#### 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 A Shares	-1.73	-2.22	-27.07	-18.06	1.39	0.44	4.22	5.47
Blended Benchmark	-4.05	-7.33	-13.62	-6.31	0.17	1.09	1.81	3.48

#### Calendar Year Returns (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Class A Shares	33.60	-6.08	23.58	-15.33	15.03	10.71	5.73	-7.59	10.48	19.38
Blended Benchmark	26.97	-14.60	17.64	-11.81	9.40	23.53	-10.93	-3.41	-9.26	19.99

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.

Effective May 16, 2022, the Morgan Stanley Investment Funds Emerging Europe Middle East and Africa Fund was renamed to Morgan Stanley Investment Funds NextGen Emerging Markets Fund, with an expanded investment universe to include equity securities of companies operating in emerging market countries, which include frontier emerging market countries, and an updated investment approach to reflect top-down allocations are made at the macro and thematic levels. Please see the prospectus for more details.

The value of the investments and the income from them can go down as well as up and an investor may not get back the amount invested.

# Portfolio turnover is sourced from the Fund's latest Annual/Semi-annual report. View the [latest report](#) for a description of methodology.

Please refer to the additional information and definitions section at the end of this document.

#### Share Class

CLASS A

Currency	Euro
ISIN	LU0118140002
Bloomberg	MORSEEA LX
Inception date	17 October 2000
Net asset value	€ 79.14

#### Fund Facts

Launch date	16 October 2000
Base currency	Euro
Custom benchmark	Blended Benchmark
Total net assets	€ 51.21 million
Structure	Luxembourg SICAV
SFDR Classification <sup>†</sup>	Article 8

#### Charges (%)

CLASS A

Max Entry Charge	5.75
<b>Ongoing Charges</b>	<b>1.89</b>
Management Fee	1.60

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 A

Minimum initial investment	0
Minimum subsequent investment	0

#### Statistics

##### (3 Year Annualised)

CLASS A INDEX

Alpha (%)	1.20	--
Beta	1.03	1.00
Excess Return (%)	1.22	--
Information ratio	0.10	--
R squared	0.75	1.00
Sharpe ratio	0.08	0.03
Volatility (Standard deviation) (%)	24.87	20.92
Tracking error (%)	12.50	--
Up-capture ratio (%)	96.70	100.00
Down-capture ratio (%)	93.23	100.00

Risk/Return statistics shown are calculated versus the Blended Benchmark when an Index is used in the calculation.

#### Characteristics

FUND INDEX

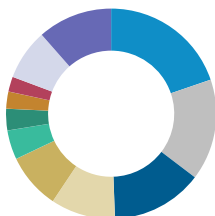
Active share (%)	96.16	--
Number of holdings	26	139
Price/earnings (Next 12 months)	17.31	10.54
5 year EPS growth (%)	12.22	5.55
Turnover (%) <sup>#</sup>	55	--

**Market Cap Weights (% of Total Net Assets)<sup>1</sup>**

	FUND	INDEX
> \$20B	21.24	34.28
\$7-20B	24.84	29.21
\$3.5-7B	20.96	19.38
\$1-3.5B	16.43	16.70
< \$1B	16.54	0.42

**Top Countries (% of Total Net Assets)<sup>1</sup>**

	FUND	INDEX
United States	19.66	--
Poland	15.50	5.12
Vietnam	14.02	--
Indonesia	9.88	--
South Africa	8.52	29.51
Kenya	4.48	--
Singapore	3.31	--
United Kingdom	2.62	--
Bangladesh	2.30	--
Other	7.77	--
Cash	11.42	--

**Sector Allocation (% of Total Net Assets)<sup>1,2</sup>**

	FUND	INDEX
Information Technology	24.17	0.02
Consumer Discretionary	16.07	5.65
Financials	13.92	48.10
Communication Services	11.28	10.99
Materials	9.94	16.81
Consumer Staples	8.59	4.12
Energy	4.08	5.64
Cash	11.42	--

**Top Holdings (% of Total Net Assets)<sup>3</sup>**

	FUND	INDEX
Mobile World Investment Corp	7.02	--
Grid Dynamics Holdings Inc	5.73	--
EPAM Systems Inc	5.72	--
Mercadolibre Inc	5.15	--
Industri Jamu Dan Farmasi Sido Muncul Tb	4.97	--
Capitec Bank Holdings Ltd	4.96	1.33
Bank Mandiri Persero Tbk Pt	4.91	--
Safaricom Plc	4.48	--
FTP Corp	3.96	--
LPP SA	3.91	0.30
<b>Total</b>	<b>50.81</b>	<b>--</b>

**DEFINITIONS**

The **5 year Earnings Per Share (EPS) growth rate** is the weighted average of earnings per share growth for all securities in the portfolio projected for the past five fiscal years. Earnings per share for a company is defined as total earnings divided by shares outstanding. **Active Share** is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index (based on holdings and weight of holdings). Active Share scores range from 0%-100%. A score of 100% means you are completely different from the benchmark. Active Share calculation may consolidate holdings with the same economic exposure. **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

† This Fund is classified as an Article 8 product under the Sustainable Finance Disclosure Regulation. Article 8 products are those which promote environmental or social characteristics and which integrate sustainability into the investment process in a binding manner. Before making any decision to invest in the fund mentioned herein, please refer to all the characteristics and objectives of the Fund noted in the current Prospectus and KIID at [morganstanleyinvestmentfunds.com](http://morganstanleyinvestmentfunds.com).

<sup>1</sup> May not sum to 100% due to the exclusion of other assets and liabilities.

<sup>2</sup> For additional information regarding sector classification/definitions please visit [www.msci.com/gics](http://www.msci.com/gics) and the glossary at [www.morganstanley.com/im](http://www.morganstanley.com/im).

<sup>3</sup> 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.

Only A and C share classes of the Fund are authorized by the Securities & Futures Commission of Hong Kong to be offered to the public in Hong Kong.

Please refer to the Prospectus for full risk disclosures, available at [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com). All data as of 31.05.2022 and subject to change daily.

**Additional A Share Classes**

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
AX	EUR	01.06.2005	LU0218443736	MOREEAX LX

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/earnings (P/E)** is the price of a stock divided by its earnings per share for the past 12 months. Sometimes called the multiple, P/E gives investors an idea of how much they are paying for a company's earning power. The higher the P/E, the more investors are paying, and therefore the more earnings growth they are expecting. **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. **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 **Blended Index** performance shown is calculated using the **MSCI EM Europe, Middle East Gross Index** from inception through 31 December 2000, the **MSCI EM Europe Middle East Net Index** through 16 April 2008, the **MSCI Emerging Europe, Middle East and Africa Net Index** through 15 May 2022 and the **MSCI Frontier Emerging Markets Net Index** thereafter.

The **MSCI EM Europe, Middle East Index** captures large and mid-cap representation across 8 Emerging Markets (EM) countries in Europe and Middle East.

The **MSCI Emerging Markets Europe, Middle East and Africa Net Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the emerging market countries of Europe, the Middle East & Africa.

The **MSCI Frontier Emerging Markets Net Index** is a free float adjusted market capitalization index designed to serve as a benchmark covering all countries from the MSCI Frontier Markets Index and the lower size spectrum of the MSCI Emerging Markets Index.

The indexes are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an index.

#### DISTRIBUTION

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