

Morgan Stanley Investment Funds

US Active Factor Equity Fund - Z Shares (Accumulation Share Class)

Investment Objective

Long term growth of your investment.

Investment Approach

Seeks to outperform the benchmark regardless of which investment style – value or growth – is currently in favor. Their flexible approach combines quantitative models with stock-specific research to identify 30-60 companies in the U.S. with attractive valuations, above-average appreciation potential and competitive dividend yields.

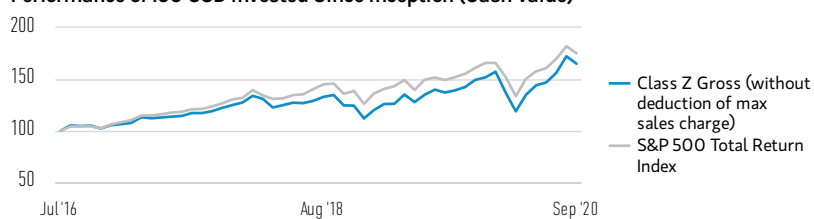
Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Andrew Slimmon, Head of Applied Equity Advisors Team	1991	33
Phillip Kim, Executive Director	2005	16

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

Class Z 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†}

	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	18.58	3.32	13.16	13.40	--
Class Z Net (with the deduction of max sales charge) ²	17.40	2.29	12.03	12.27	--
S&P 500 Total Return Index	15.15	4.25	17.91	18.61	--

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 Z Gross (without deduction of max sales charge) ¹	-4.16	12.41	8.74	18.58	11.51	--	--	12.57
Class Z Net (with the deduction of max sales charge) ²	-5.11	11.29	7.66	17.40	11.14	--	--	12.30
S&P 500 Total Return Index	-3.80	8.93	5.57	15.15	12.28	--	--	14.14

Calendar Year Returns (%)

	2019	2018	2017	2016	2015	2014	2013
Class Z Gross (without deduction of max sales charge) ¹	35.56	-12.14	19.71	--	--	--	--
S&P 500 Total Return Index	31.49	-4.38	21.83	--	--	--	--

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 Z
Currency	U.S. dollars
ISIN	LU1439782225
Bloomberg	MSUAFEZ LX
Inception date	05 July 2016
Net asset value	\$ 41.29

Fund Facts

Launch date	05 July 2016
Base currency	U.S. dollars
Index	S&P 500 Total Return Index
Total net assets	\$ 41.62 million
Structure	Luxembourg SICAV

Charges (%)

	CLASS Z
Max Entry Charge	1.00
Ongoing Charges	0.60
Management Fee	0.45

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)

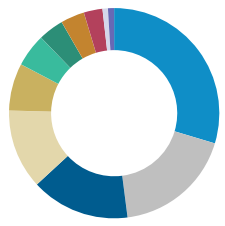
	CLASS Z	INDEX
Alpha (%)	-1.82	--
Beta	1.10	--
Information ratio	-0.12	--
R squared	0.91	--
Sharpe ratio	0.48	0.60
Volatility (Standard deviation) (%)	20.38	17.74
Tracking error (%)	6.20	--

Characteristics

	FUND	INDEX
Active share (%)	77.46	--
Number of holdings	30	505
Price/earnings (Next 12 months)	24.28	22.48
Weighted average market capitalization (\$B)	442.40	430.41

Top Holdings (% of Total Net Assets)³

	FUND	INDEX
Apple Inc	9.61	6.68
Microsoft Corp	9.51	5.71
Mastercard Inc	7.69	1.07
Danaher Corp	4.77	0.49
Home Depot Inc	4.62	1.07
Domino's Pizza Inc	4.45	0.06
First Republic Bank/San Fran	4.39	0.07
Store Capital Corp	4.05	--
Ameriprise Financial Service	3.67	0.07
Esterline Lauder Co. Inc	3.65	0.18
Total	56.41	--

Sector Allocation (% of Total Net Assets)^{4,5}


	FUND	INDEX
Information Technology	29.65	28.15
Consumer Discretionary	18.32	11.55
Financials	15.18	9.67
Health Care	12.26	14.23
Industrials	7.28	8.29
Real Estate	5.08	2.64
Communication Services	3.92	10.80
Consumer Staples	3.65	7.02
Utilities	2.88	2.97
Energy	0.84	2.06
Cash	0.94	--

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

Active Share is a measure of the percentage of stock holdings in a managers 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. **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. **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. **Weighted average market capitalization** is an average of the market capitalization of stocks comprising a portfolio or index, adjusted by each stock's weight in the

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 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 fund's 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.

portfolio or index.

INDEX INFORMATION

The **S&P 500 Total Return Index** is an index that consists of 500 stocks chosen for market size, liquidity and industry group representation. The S&P Index is a market value weighted index with each stock's weight proportionate to its market value. The S&P Index is one of the most widely used benchmarks of U.S. equity performance. The performance of the S&P Index does not account for any management fees, incentive compensation, commissions or other expenses that would be incurred pursuing such strategy. Total return provides investors with a price-plus-gross cash dividend return. Gross cash dividends are applied on the ex-date of the dividend.

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Applications for shares in the Fund should not be made without first consulting the current Prospectus, Key Investor Information Document ("KIID"), Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which is available free of charge from the Registered Office: European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192. In addition, all Italian investors should refer to the 'Extended Application Form', and all Hong Kong investors should refer to the 'Additional Information for Hong Kong Investors' section, outlined within the Prospectus. Copies of the Prospectus, KIID, 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 document has been prepared solely for informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy.

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