

Morgan Stanley Investment Funds

US Advantage Fund - A Shares

(Accumulation Share Class)



MORNINGSTAR OVERALL RATING*
EAA FUND US LARGE-CAP GROWTH
EQUITY

CLASS A SHARES

Out of 522 Funds. Based on Risk Adjusted Return. Class A Shares: 3yr. rating 4 Stars; 5yr. rating 4 Stars; 10yr. rating 5 Stars.

Important information

- The Fund invests primarily in equity securities of companies domiciled or exercising the predominant part of their economic activity in the US.
- Investment involves risks. Key risks for this fund include Risk of Investment in Equity, Derivatives 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 seek high-quality established companies with strong brand recognition, sustainable competitive advantages, strong current free-cash-flow yields and favorable returns on invested capital trends. We focus on long-term growth rather than short-term events, with our stock selection informed by rigorous fundamental analysis.

Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Dennis Lynch, Head of Counterpoint Global	1998	25
Sam Chainani, Managing Director	1996	23
Jason Yeung, Managing Director	2002	22
Armistead Nash, Managing Director	2002	19
David Cohen, Managing Director	1993	31
Alexander Norton, Executive Director	2000	24

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

Dennis Lynch, Sam Chainani, Jason Yeung, Armistead Nash, David Cohen and Alexander Norton started to manage the fund in June 2009.

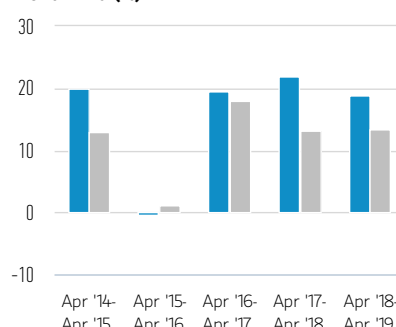
Class A Shares (% net of fees) vs. Index in USD

Performance of 100 USD Invested Since Inception (Cash Value)



— Class A Shares
— S&P 500 Index

12 Month Performance Periods to Latest Month End (%)



■ Class A Shares
■ S&P 500 Index

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 A Shares	5.64	13.02	24.23	18.78	20.05	15.70	17.20	10.75
S&P 500 Index	4.05	9.48	18.25	13.49	14.87	11.63	15.47	8.87

Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012
Class A Shares	0.96	31.12	14.9	10.69	8.04	35.20	12.64
S&P 500 Index	-4.38	21.83	11.96	1.38	13.69	32.39	16.00

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 Blended Index performance shown is calculated using the S&P 500 Index from inception through 31 August 2009, the Russell 1000 Growth Net 30% Withholding Tax TR Index to 31 March 2010 and the S&P 500 Index thereafter.

Share Class

	CLASS A
Currency	U.S. dollars
ISIN	LU0225737302
Bloomberg	MORAMFA LX
Inception Date	01 December 2005
Net Asset Value	\$ 98.35

Fund Facts

Launch date	01 December 2005
Base currency	U.S. dollars
Index	S&P 500 Index
Total assets	\$ 8.3 billion
Structure	Luxembourg SICAV

Charges (%)

	CLASS A
Max Entry Charge	5.75
Ongoing Charges	1.64
Management Fee	1.40

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

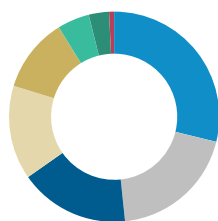
Statistics

(3 Year annualised)

	CLASS A	INDEX
Excess Return (%)	5.17	--
Alpha (%)	5.41	--
Beta	0.98	1.00
Information ratio	0.72	--
R squared	0.69	1.00
Sharpe ratio	1.47	1.26
Tracking error (%)	7.14	--
Volatility (Standard deviation) (%)	12.84	10.85

Characteristics

	FUND	INDEX
Active share (%)	87.13	--
Number of holdings	35	505
Return on capital (%)	16.49	18.05
5 year EPS growth (%)	18.08	11.52
Sales growth (%)	18.14	11.78
Weighted median market capitalization (\$B)	50.37	110.97
D/E weighted median (%)	47.57	83.18
Dividend Yield (%)	0.42	1.88

Sector Allocation (% of Total Net Assets)^{1,2}

	FUND	INDEX
Information Technology	28.85	21.68
Communication Services	19.50	10.33
Consumer Discretionary	16.94	10.31
Industrials	14.48	9.48
Health Care	11.42	13.63
Materials	4.94	2.67
Financials	3.12	13.27
Other	-0.01	--
Cash & equivalents	0.77	--
Total	100.00	--

Top Holdings (% of Total Net Assets)³

	FUND	INDEX
Amazon.com Inc	8.51	3.24
Servicenow Inc	5.38	--
Twitter Inc	5.10	0.12
Disney Walt Holding Co.	4.99	0.97
Workday Inc	4.98	--
Ecolab Inc	4.94	0.19
Intuitive Surgical Inc	4.93	0.24
Adobe Inc	3.57	0.57
Union Pacific Corp	3.49	0.52
Lvmh Moet Hennessy Louis Vuitton	3.48	--
Total	49.37	--

¹ May not sum to 100% due to rounding.

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

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.

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. All data as of 30.04.2019 and subject to change daily.

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 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. **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

Additional A Share Classes

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
AH (EUR)	EUR	31.10.2006	LU0266117927	MORAMAH LX

liquid and not subject to significant risk of changes in values. **Debt/equity (D/E)** is a measure of a company's financial leverage calculated by dividing its total liabilities by stockholders' equity. **Dividend yield** is the ratio between how much a company pays out in dividends each year relative to its share price. **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. **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. **Return on capital** is a measure of a company's efficiency at allocating the capital under its control to profitable investments, calculated by dividing net income minus dividends by total capital. **Sales growth** is the increase in sales over a specific period of time, often but not necessarily annually. **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. **Weighted median market capitalization** is the point at which half of the market value of a portfolio or index is invested in stocks with a greater market cap, while the other half of the market value is invested in stocks with a lower market cap.

INDEX INFORMATION

The **Standard & Poor's 500® Index (S&P 500®)** measures the performance of the large cap segment of the U.S. equities market, covering approximately 80% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy.

The **Russell 1000 Growth Net 30% Withholding Tax TR Index** measures the performance of the large-cap growth segment of the U.S. equity universe, net 30% withholding tax TR. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Index is an index of approximately 1,000 of the largest U.S. companies based on a combination of market capitalization and current index membership.

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*MORNINGSTAR

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account sales loads.

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