

Morgan Stanley Investment Funds

US Dollar High Yield Bond Fund - ZH (EUR) Shares

(Accumulating NAV Currency Hedged Share Class)

Investment Objective

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

Investment Approach

We focus on middle-market credits, or credits with less than \$1 billion of total debt outstanding, using a value-oriented fixed income approach. In our experience, middle-market issues relative to larger peers can provide superior yields, higher coupons, shorter maturities and lower volatility, with default rates that are generally in line with the broader market.

Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Richard Lindquist, Managing Director	2011	39
Jack Cimarosa, Executive Director	2012	16

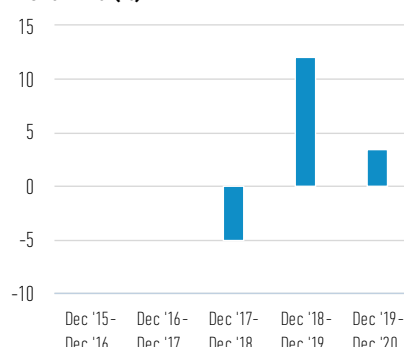
Team members may be subject to change at any time without notice.

Class ZH (EUR) Shares (% net of fees) in EUR

Performance of 100 EUR Invested Since Inception (Cash Value)



12 Month Performance Periods to Latest Month End (%)



— Class ZH (EUR) Shares

■ Class ZH (EUR) Shares

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 ZH (EUR) Shares	1.44	5.78	3.45	3.45	3.25	--	--	3.39

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014
Class ZH (EUR) Shares	3.45	12.13	-5.11	--	--	--	--

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.

Share Class

	CLASS ZH (EUR)
Currency	Euro
ISIN	LU1610903103
Bloomberg	MSUHYZH LX
Inception date	19 May 2017
Net asset value	€ 28.20

Fund Facts

Launch date	02 December 2014
Base currency	U.S. dollars
Index	Bloomberg Barclays US Corporate High Yield Index
Total net assets	\$ 464.87 million
Structure	Luxembourg SICAV

Charges (%)

	CLASS ZH (EUR)
Max Entry Charge	1.00
Ongoing Charges	0.69
Management Fee	0.50

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 ZH (EUR)
Minimum initial investment	0
Minimum subsequent investment	0

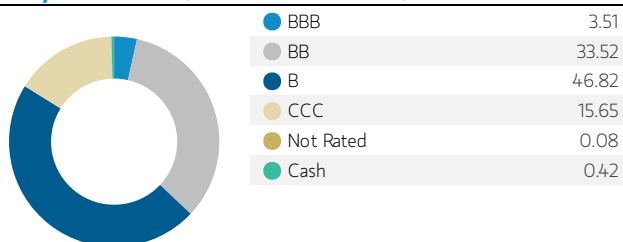
Characteristics

	FUND	INDEX
Duration (years)	2.76	3.58
Yield to worst (%)	4.56	4.18
Average maturity (years)	2.65	4.97
Number of holdings	343	2,164

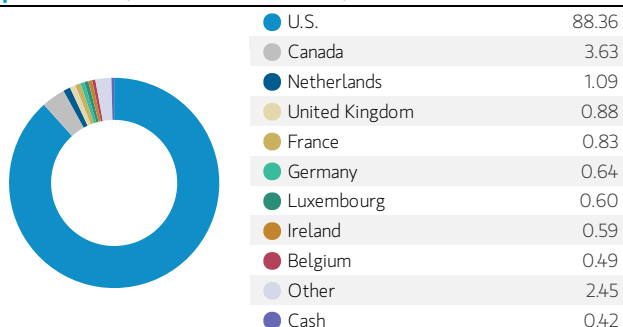
Sector Allocation (% of Total Net Assets)^{1,2}

	FUND	INDEX
High Yield Corporates	98.34	100.00
Industrial	91.14	88.35
Basic Industry	6.91	5.67
Capital Goods	16.61	8.70
Communications	14.31	16.31
Consumer Cyclical	20.80	21.12
Consumer Non-Cyclical	11.62	13.90
Energy	10.94	13.11
Technology	4.31	6.48
Transportation	2.31	1.85
Industrial Other	3.34	1.22
Utility	0.36	2.83
Financial Institutions	6.84	8.82
Brokerage/Asset Managers/Exchanges	1.25	0.42
Finance Companies	1.66	2.19
Insurance	2.12	2.18
REITs	1.24	1.87
Financial Other	0.57	0.77
Investment Grade Corporates	0.88	0.00
NR Corporates	0.02	0.00
Non US Government	0.28	0.00
Equity	0.07	0.00
Cash & Equivalents	0.42	0.00

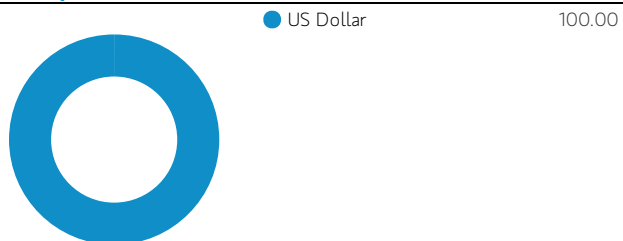
Quality Distribution (% of Total Net Assets)^{1,3}



Top Countries (% of Total Net Assets)¹



Currency Allocation (% of Total Net Assets)¹



Share Class ZH (EUR) 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 fixed income securities and the fund's simulated and/or realised return has experienced medium 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.
- In order to achieve the currency hedging, this share class relies on other parties to fulfil certain contractual obligations, as these parties may fail to do so there is a higher risk to your investment.
- 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
Z	USD	02.12.2014	LU1134228409	MSUDHYZ LX
ZHX (EUR)	EUR	17.07.2018	LU1570325859	MSUDZHX LX

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 Quality 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 31.12.2020 and subject to change daily.

DEFINITIONS

Average maturity – weighted average of the maturities of the underlying securities in the portfolio. **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. **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. **Yield to Worst** is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

INDEX INFORMATION

The **Bloomberg Barclays U.S. Corporate High Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The Index excludes emerging market debt.

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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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