

A Sub-Fund of Morgan Stanley Investment Funds

# US High Yield Middle Market Bond Fund

(Accumulating NAV Currency Hedged Share Class)

Investment Objective

To provide an attractive rate of total return.

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 INDUSTRY EXPERIENCE
Justin H. Bourgette, Managing Director, Head of Investment Strategy, Portfolio Manager	2006	19
Bo Hunt, Managing Director, Portfolio Manager	2016	23

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

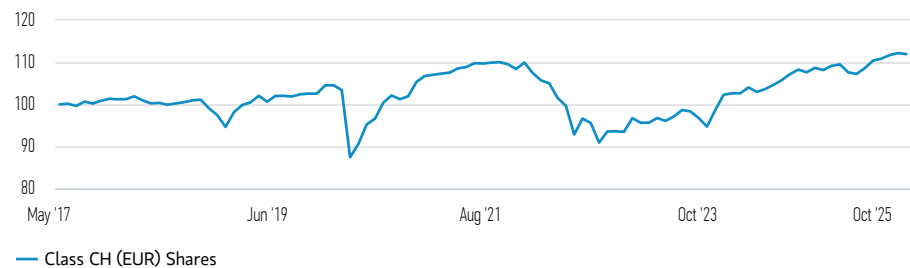
Effective 24 February 2025, Joseph Hurley is no longer serving as Portfolio Manager on the Fund.

Effective 23 October 2024, Jack Cimarosa is no longer serving as Portfolio Manager on the Fund.

Class CH (EUR) Shares (% net of fees) 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.)				INCEPTION
	1 M	3 M	YTD	1 YR	3 YR	5 YR	10 YR		
Class CH (EUR) Shares	-0.21	0.97	3.51	4.01	6.17	1.90	--		1.35

Calendar Year Returns (%)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Class CH (EUR) Shares	5.75	9.41	-14.99	3.00	2.14	10.44	-6.53	--	--	--

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 shares. The sources for all performance and index data is Morgan Stanley Investment Management (MSIM Ltd).

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.

HIGH YIELD TEAM

Share Class	CLASS CH (EUR)
Currency	Euro
ISIN	LU1610903525
Bloomberg	MSUHYCH LX
Inception date	24 May 2017
Net asset value	€ 27.99

Fund Facts

Launch date	02 December 2014
Base currency	U.S. dollars
Index	Bloomberg US Corporate High Yield Index
Total net assets	\$ 35.28 million
Structure	Luxembourg SICAV
SFDR Classification†	Article 8

Charges (%)

	CLASS CH (EUR)
Max Entry Charge	0.00
Ongoing Charges	196
Management Fee	1.70

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), custodian, and administration charges. For more information please see the Charges and Expenses section of the prospectus.

The fees provided are only attributable to the Morgan Stanley Investment Funds (SICAV) and do not include any additional fees which may be incurred if packaged in a product.

Subscriptions (USD)

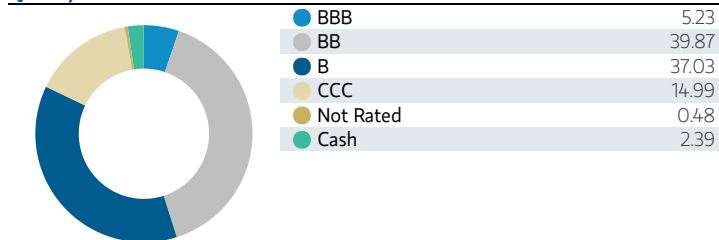
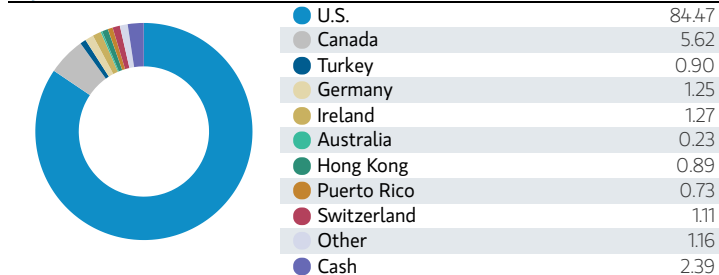
	CLASS CH (EUR)
Minimum initial investment	0
Minimum subsequent Investment	0

Characteristics

	FUND	INDEX
Duration (years)	2.75	2.85
Yield to worst (%)	6.85	6.78
Average maturity (years)	3.42	7.16
Number of holdings	166	1,973

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

	FUND	INDEX
<b>High Yield Corporates</b>	<b>95.81</b>	<b>99.91</b>
Industrial	83.22	84.59
Basic Industry	5.47	6.28
Capital Goods	14.59	10.45
Communications	4.71	15.01
Consumer Cyclical	23.67	19.41
Consumer Non-Cyclical	11.13	11.19
Energy	8.82	10.91
Technology	6.14	8.01
Transportation	4.25	2.13
Industrial Other	4.44	1.20
Utility	3.31	3.57
Financial Institutions	9.29	11.75
Brokerage/Asset Managers/Exchanges	2.27	1.19
Finance Companies	3.91	4.21
Insurance	1.87	2.88
REITs	0.71	2.12
Financial Other	0.53	1.14
<b>Investment Grade Corporates</b>	<b>1.31</b>	<b>0.00</b>
<b>NR Corporates</b>	<b>0.48</b>	<b>0.09</b>
<b>Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash &amp; Equivalents</b>	<b>2.39</b>	<b>0.00</b>

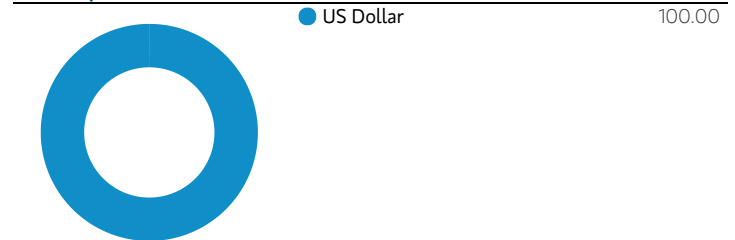
**Quality Distribution (% of Total Net Assets)<sup>1,3</sup>****Top Countries (% of Total Net Assets)<sup>1</sup>**

† 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.

<sup>1</sup> May not sum to 100% due to rounding.

<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> 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.

**Currency Allocation (% of Total Net Assets)<sup>1</sup>****Share Class CH (EUR) Risk and Reward Profile**

- The fund may be impacted by movements in the exchange rates between the fund's currency and the currencies of the fund's investments.
- 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.
- Sustainability factors can pose risks to investments, for example: impact asset values, increased operational costs.
- 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 C Share Classes**

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
C	USD	02.12.2014	LU1134227856	MSUDHYC LX
CX	USD	23.09.2020	LU1134228078	MSUDHCX LX

Please refer to the Prospectus for full risk disclosures, available at [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com). All data as of 31.10.2025 and subject to change daily.

Applications for shares in the Sub-Fund should not be made without first consulting the current Prospectus and the Key Information Document ("KID") or Key Investor Information Document ("KIID"), which are available in English and in the language of countries authorized for fund distribution and is available online at [Morgan Stanley Investment Funds Webpages](http://Morgan Stanley Investment Funds Webpages) or free of charge from the Registered Office at European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192.

The summary of investor rights is available in the aforementioned languages and website location under the General Literature section.

Information in relation to sustainability aspects of the Fund is available in English online at: [Sustainable Finance Disclosure Regulation](http://Sustainable Finance Disclosure Regulation).

If the management company of the relevant Fund decides to terminate its arrangement for marketing that Fund in any EEA country where it is registered for sale, it will do so in accordance with the UCITS rules.

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The use of leverage increases risks, such that a relatively small movement in the value of an investment may result in a disproportionately large movement, unfavourable as well as favourable, in the value of that investment and, in turn, the value of the Fund.

Investment in the Fund concerns the acquisition of units or shares in a fund, and not in a given underlying asset such as building or shares of a company, as these are only the underlying assets owned.

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Charts and graphs provided herein are for illustrative purposes only and subject to change.

## 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, 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 are listed for each share class of the Sub-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 Sub-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 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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