

**This statement provides you with key information about this product.
This statement is a part of the offering document.
You should not invest in this product based on this statement alone.**

QUICK FACTS

Management Company	MSIM Fund Management (Ireland) Limited
Investment Manager (Investment Adviser)	Morgan Stanley Investment Management Limited located in the United Kingdom
Sub Advisers	Morgan Stanley Asia Limited located in Hong Kong (internal delegation) & Morgan Stanley Investment Management Company located in Singapore (internal delegation)
Depository	J.P. Morgan Bank Luxembourg S.A.
Ongoing Charges over a year (*)	Classes A, AX: 1.89% Classes AH, AHX: 1.93% Classes C, CX: 2.69% Classes CH, CHX: 2.73%
Dealing frequency	Daily, each Luxembourg Business Day
Dividend Policy	No dividends will be distributed (income/capital gains will be reinvested) for classes A, AH, C, CH. Dividends if any will be distributed semi annually for classes AHX, AX, CHX, CX.
Base currency	USD
Financial year end of this sub-fund	31 December
Min. investment	No minimum initial and additional investment amounts

(*): The ongoing charges figure is updated as of 1 March 2021 and provides an estimate of the total expenses of each class of the sub-fund. It is based on the fees described in the section on ongoing fees payable by the sub-fund within this KFS together with Specific Additional Costs including the Luxembourg tax (taxe d'abonnement), additional custody fees applicable to investment in emerging markets and hedging expenses, where applicable. These fees and the ongoing charges figure may vary from time to time. It excludes almost all costs of dealing in the sub-fund's underlying investments. For more information, please see the "Charges and Expenses" section of the Prospectus.

WHAT IS THIS PRODUCT ?

Morgan Stanley Investment Funds Asia Opportunity Fund is a sub-fund of Morgan Stanley Investment Funds (the "Company") which is constituted in the form of a mutual fund. It is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier (CSSF).

OBJECTIVES AND INVESTMENT STRATEGY**Objective**

Long term appreciation, measured in US Dollars.

Strategy

At least 70% of the sub-fund's value will be invested in equity securities, including depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs)), of issuers Located (as defined in the Prospectus) in Asia (excluding Japan) and China A-Shares via Stock Connect. When determining where an issuer is located, the Investment Adviser will have regard to a number of factors, including but not limited to the issuer's country of incorporation and the countries from which the issuer derives its revenue.

The sub-fund may also invest up to 30% of its value in other equity securities, including equity securities of issuers located outside of Asia, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments.

The sub-fund may invest up to 10% of its value in units/shares of other collective investment schemes, including the other funds of the Company and open-ended ETFs.

The Investment Adviser emphasises a bottom-up stock selection process, seeking attractive investments on an individual company basis. The Investment Adviser typically favours companies it believes have sustainable competitive advantages that can be monetised through growth. The investment process integrates analysis of sustainability with respect to disruptive change, financial strength, environmental and social externalities and governance (also referred to as ESG). The Investment Adviser generally considers selling a portfolio holding when it determines that the holding no longer satisfies its investment criteria.

The Investment Adviser views incorporating ESG-related potential risks and opportunities within the investment process as important to ensure long-term stewardship of capital. Over extended time horizons, the Investment Adviser believes that ESG risks are more likely to materialize and externalities not borne by the company are more likely to be priced into the value of securities. Since ESG risks could potentially impact the risk and reward profile of investment opportunities, the Investment Adviser typically engages company management in constructive discussions on a range of ESG issues the Investment Adviser deems materially important.

The Investment Adviser does not make any country or market allocations in the stock selection process. The exposure to a particular country or market is only a result of the bottom-up stock selection process, and such exposure may change subject to the performance of individual companies, which will in turn be affected by market conditions. On this basis, the sub-fund may from time to time invest more than 30% of its value in China A-Shares via Stock Connect but the sub-fund is not constrained by any country or market allocations.

With a view to enhancing returns and/or as part of the investment strategy, the sub-fund may make use of exchange traded and over-the-counter options, futures and other derivatives for efficient portfolio management (including hedging) purposes. The sub-fund does not invest extensively or primarily in financial derivatives instruments for investment purposes.

The sub-fund measures its performance against the MSCI All Country Asia ex-Japan Index (the "Benchmark"). The sub-fund is actively managed and is not designed to track the Benchmark. Therefore, the management of the sub-fund is not constrained by the composition of the Benchmark.

USE OF DERIVATIVES / INVESTMENT IN DERIVATIVES

The sub-fund's net derivative exposure may be up to 50% of the sub-fund's net asset value.

WHAT ARE THE KEY RISKS ?

Investment involves risks. Please refer to the offering document including the section headed "Risk Factors" for details including the risk factors.

1. General Investment Risk

The sub-fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the sub-fund may suffer losses. There is no guarantee of the repayment of principal.

2. Risk of Investment in Equity

Funds which invest in equity securities are subject to general market risks and the volatility of the capital markets on which these securities are traded and may incur significant losses. The price of equities can be influenced by many factors at the individual company level, such as changes in investment sentiment and issuer-specific factors, as well as by broader economic and political developments, including political and economic conditions, trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and catastrophic events. The value of shares may fall in value and decrease the value of your investment as a whole.

3. Concentration Risk

The sub-fund's investments are concentrated in the Asia (excluding Japan) region, including the PRC, and the value of the sub-fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the sub-fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the market in Asia (excluding Japan), including the PRC market.

4. Risk associated with Investments in the PRC

The sub-fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on foreign capital investments and repatriation of principal and profits) in the PRC, which are subject to change. Investment in the PRC remains sensitive to any major change in economic, social and political policy in the PRC. The capital growth and thus the performance of these investments may be adversely affected due to such sensitivity. Investments in the PRC are also subject to the following risks:

- **RMB currency and conversion risks:** RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of the investors' investment in the sub-fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB from the onshore underlying investments may be delayed due to the exchange controls and restrictions applicable to RMB.
- **Volatility risk:** the sub-fund may be exposed to the risk of high market volatility and potential settlement difficulties of the China equity markets. This may result in significant fluctuations in the prices of the securities traded on such markets and thereby adversely affect the value of the sub-fund.
- **Regulatory risk:** securities exchanges in China may have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the sub-fund investing in China. The PRC government's control of future movements in exchange rates and currency conversion may have an adverse impact on the operations and financial results of the companies in which the sub-fund invests.

5. Risk associated with Investments in China A-Shares via Stock Connect

The relevant rules and regulations on Stock Connect are subject to change which may have potential retrospective effect. Stock Connect trades are settled in RMB and you must have timely access to a reliable supply of RMB in Hong Kong, which cannot be guaranteed. The sub-fund's investments in China A-Shares are also subject to the following risks:

- **Liquidity and volatility risk:** because of local restrictions, capital cannot flow freely into the China A-Shares markets. Liquidity and trading prices of securities traded in these markets could be more severely affected than those of securities traded in other more freely tradable markets. High market volatility and potential settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and may thereby affect the value of the sub-fund.
- **Suspension risk:** the Stock Exchange of Hong Kong Limited (“SEHK”), the Shanghai Stock Exchange (“SSE”) and the Shenzhen Stock Exchange (“SZSE”) have the right to suspend or limit trading in any security traded on the relevant exchange if necessary for ensuring an orderly and fair market and that risks are managed prudently. A suspension will render it impossible for the sub-fund to liquidate positions and could thereby expose the sub-fund to significant losses. In such event, the sub-fund's ability to achieve its investment objective could be negatively affected.
- **Quota and other limitations:** trading of China A-Shares through Stock Connect is subject to a daily quota, which limits the maximum net buy value of cross-boundary trades under Stock Connect each day. The daily quota does not belong to the sub-fund and can only be utilized on a first-come, first-served basis. Quota limitations may prevent the sub-fund from purchasing the Stock Connect securities when it is otherwise advantageous to do so.
- **Differences in trading day:** due to the differences in trading days, there are occasions when it is a normal trading day for the PRC market but the sub-fund cannot carry out any China A-Shares trading via Stock Connect. As a result, prices of the relevant China A-Shares may fluctuate at times when the sub-fund is unable to add to or exit its position.
- **Eligibility of shares:** only certain China A-Shares are eligible to be accessed through Stock Connect. Such securities may lose their eligibility at any time.
- **Legal or beneficial ownership:** in China, Stock Connect securities are held on behalf of ultimate investors (such as the Company). While Chinese regulators have affirmed that the ultimate investors hold a beneficial interest in Stock Connect securities, the law surrounding such rights is subject to changes and the mechanisms that beneficial owners may use to enforce their rights are not free from doubt and therefore pose uncertain risks.
- **Clearing and settlement risk:** trading in securities through Stock Connect may be subject to clearing and settlement risks. If the PRC clearing house defaults, the sub-fund may suffer delay in the recovery process or may not fully recover its losses from the PRC clearing house.
- **Pre-trade requirement:** If the sub-fund intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its broker(s) before the market opens on the day of selling (the “trading day”). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the sub-fund may not be able to dispose of its holdings of China A-Shares in a timely manner.
- **PRC tax risk:** there are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realized via Stock Connect on the sub-fund's investments in the PRC (which may have retrospective effect). Any increased tax liabilities on the sub-fund may adversely affect the sub-fund's value. Based on professional and independent tax advice, the sub-fund will not make tax provisions for capital gains, realised or unrealised, arising from transfers of its investments in China A-Shares.

6. Emerging Market Risk

The Asia (excluding Japan) region contains developed and emerging market economies. The sub-fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, exchange monitoring, political and economic uncertainties, legal and taxation risks, settlement risks, custody risks and the likelihood of a high degree of volatility.

7. Currency Hedged Share Class Risk

Currency Hedged Share Classes utilise hedging strategies to seek to limit exposure to currency movements between the sub-fund's base currency and the currency the Currency Hedged Share Class is denominated in. The hedging strategy of the Currency Hedged Share Class does not seek to eliminate all currency exposure. Exchange rate risk exists as a result of movements between the currency of denomination of the Currency Hedged Share Class and the valuation currencies of the assets in which the sub-fund invests where these currencies differ from the base currency of the sub-fund.

Such hedging strategies used by the Investment Adviser (or any agent appointed by the Investment Adviser) may not completely eliminate exposure to such currency movements. There can be no guarantee that hedging strategies will be successful. Should the hedging strategy be unsuccessful, the value of the sub-fund's assets and income can remain vulnerable to fluctuations in currency exchange rate movements. Mismatches may result between the sub-fund's currency position and the Currency Hedged Share Classes issued for the sub-fund. Investors should be aware that certain market events or circumstances could result in the Investment Adviser no longer being able to perform hedging transactions or that such strategies may no longer be economically viable.

The use of hedging strategies may substantially limit Currency Hedged Share Class shareholders from benefiting if the currency of the Currency Hedged Share Class falls against the sub-fund's base currency. The costs of hedging and all gains/losses from hedging transactions are borne separately by the shareholders of the respective Currency Hedged Share Classes and the costs of hedging may be significant depending on the prevailing market conditions. Investors should also note that the hedging of Currency Hedged Share Classes is distinct from any hedging strategies that the Investment Adviser may implement at the sub-fund level.

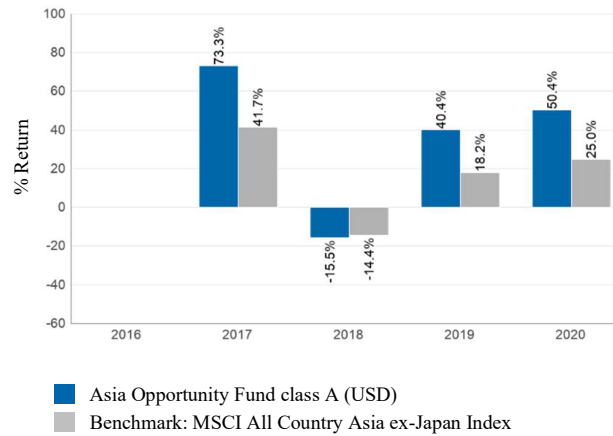
8. Exchange Rate Risk

The value of your investment will be impacted by changes in the currency exchange rates between the sub-fund's base currency (US Dollars) and the currencies in which the underlying securities are denominated.

9. Depositary Receipts

Depositary receipts such as ADRs and GDRs represent shares in companies trading outside of the recognized exchanges in which the depository receipts are traded. There is a risk that the shares underlying the depository receipt may be subject to political, inflationary, exchange rate or custody risks.

HOW HAS THE FUND PERFORMED ?



Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.

These figures show by how much the sub-fund increased or decreased in value during the calendar year being shown.

The sub-fund was launched in 2016.

This share class was launched in 2016.

Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.

The sub-fund measures its performance against the MSCI All Country Asia ex-Japan Index.

IS THERE ANY GUARANTEE ?

This sub-fund does not have any guarantees. You may not get back the full amount of money you invest.

WHAT ARE THE FEES AND CHARGES ?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the sub-fund.

Fee	What you pay
Subscription Fee (Sales Charge)	Up to 5.75% of the amount you buy for classes A, AH, AHX, AX. Up to 3% for classes C, CH, CHX, CX.
Switching Fee (Conversion Fee)	Usually nil, but up to 2% of the conversion value where the Management Company determine the trading activity of the investor has adversely affected other shareholders.
Redemption Fee	Usually nil, but up to 2% of the redemption value where the Management Company determine the trading activity of the investor has adversely affected other shareholders.
Contingent Deferred Sales Charges	Nil for classes A, AH, AHX, AX. Up to 1% of the amount redeemed, if the redemption is within 365 days of the date of subscription for classes C, CH, CHX, CX.

Ongoing fees payable by the Fund

The following expenses will be paid out of the sub-fund. They affect you because they reduce the return you get on your investments.

	Annual Rate
Management Fee	1.60% of the average daily net assets for classes A, AH, AHX, AX. 2.40% of the average daily net assets for classes C, CH, CHX, CX.
Depositary Fee	In addition to the Depositary Fee being paid out of the Administration Charge, the sub-fund will separately pay additional emerging market custody fees of 0.05% of the average daily net assets applicable to investments in emerging markets, as set out in the Prospectus.
Performance Fee	Not applicable
Administration Charge	Currently 0.19% of the average daily net assets, which is capped at the maximum annual rate of 0.25% as set out in the Prospectus.

All fees and charges will remain in force for an unlimited period, and may be changed by the Management Company as set out in the Prospectus subject to obtaining the prior approval of the Securities and Futures Commission and provision of one month's prior notice to investors where there is an increase in fees and charges.

OTHER FEES

You may have to pay other fees when dealing in the shares of the sub-fund.

ADDITIONAL INFORMATION

- You generally buy and redeem shares of the sub-fund at the sub-fund's next-determined net asset value (NAV) after the transfer agent receives your request in good order on or before 1pm (Central European Time) on the relevant dealing day. The distributors may impose earlier cut-off deadlines.
- If the sub-fund or a class of shares of the sub-fund is being held by investors of Hong Kong, the net asset value per share of the sub-fund is calculated and published daily on www.morganstanleyinvestmentfunds.com* in USD.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from www.morganstanleyinvestmentfunds.com*.

IMPORTANT

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

*The website has not been reviewed by the SFC.