

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

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| Management Company | Morgan Stanley Investment Management (ACD) Limited |
| Investment Manager (Investment Adviser) | Morgan Stanley Investment Management Limited located in the United Kingdom |
| Sub Adviser | Morgan Stanley Investment Management Inc. located in the United States of America (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 2018 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 tax 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 Emerging Markets Equity Fund is a sub-fund of Morgan Stanley Investment Funds 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 growth of your investment.

Strategy

At least 70% of the sub-fund's value will be invested in Emerging Market country equities. "Emerging Market" countries for the purposes of this sub-fund are as defined by the MSCI Emerging Market Index. The sub-fund will invest in those Emerging Market countries which it believes have strongly developing economies and in which markets are becoming more sophisticated.

The sub-fund may invest in equities of companies located in Developed Market countries (for the purpose of this sub-fund, as defined by the MSCI World Index), where the value of those equities reflects principally conditions in an emerging country or where the principal securities trading market for those equities is in an emerging country, or where at the time of purchase, 50% of the company's revenue is derived from business in emerging markets, or in other equity linked instruments located in Developed Markets but providing exposure to Emerging Markets (for example, depositary receipts) ("EM Exposed Securities").

The sub-fund may also invest up to 30% of its value in eligible Frontier Markets equity (meaning those countries that are neither Developed Markets nor Emerging Markets as defined above for this sub-fund). The sub-fund may also invest up to 30% of its value in units/shares of other collective investment schemes, including those managed by the Investment Adviser, Sub Adviser or advisers affiliated either to the Investment Adviser or Sub Adviser and closed-end funds, China A-Shares via Stock Connect, Fixed Income Securities, debt securities convertible into common shares, preference shares, participatory notes and warrants, in each case to gain exposure to Emerging Markets or Frontier markets. Investment in China A-Shares via Stock Connect may not exceed 10% of the sub-fund's value.

When economic, financial or political conditions make it advisable, the sub-fund may reduce its holdings, for temporary defensive purposes, in emerging market country equities to below 50% of the sub-fund's value, and invest in equity securities in Developed Market countries (whether EM Exposed Securities or not) or in Fixed Income Securities (whether providing exposure to Emerging Markets or Developed Markets).

The investment process takes into account information about environmental, social, and governance issues (also referred to as ESG) when making investment decisions. The Investment Adviser focuses on engaging company management around corporate governance practices as well as what it deems to be materially important environmental and/or social issues facing a company.

Financial derivative instruments may be used for efficient portfolio management, in order to gain exposure to certain markets at a lower cost or to reduce risk. The sub-fund does not invest extensively or primarily in financial derivatives instruments for investment purposes.

For the purpose of cash management, the sub-fund may hold cash and/or invest in cash equivalents such as money market instruments or money market funds, including those managed by the Investment Adviser, Sub Adviser or advisers affiliated either to the Investment Adviser or the Sub Adviser (please refer to the Prospectus for further details).

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. Risk of Investment in Equity

Funds which invest in equity securities are subject to 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, as well as by broader economic and political developments, including 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.

2. Emerging Market Risk

This sub-fund invests in emerging market economies. Investing in companies operating in emerging market economies carries a higher level of risk as political, legal and operational systems may be less developed than developed markets.

3. 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.

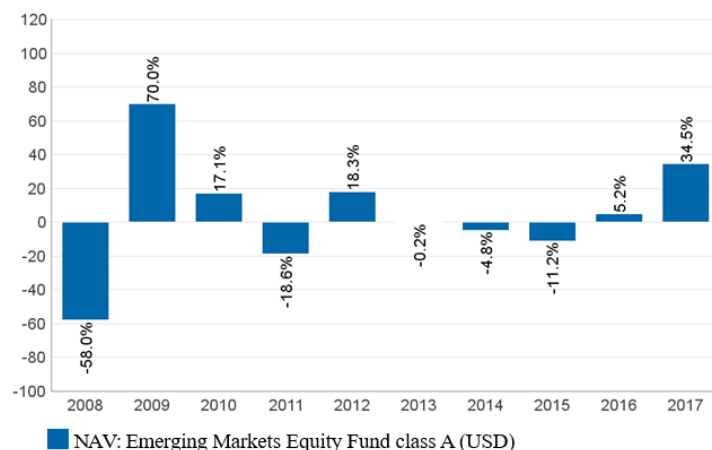
4. Exposure to the Euro and the Eurozone

The Eurozone is an economic and monetary union of 19 European member states that have adopted the Euro as their common currency and sole legal tender. The success of the Euro and the Eurozone is therefore dependent on the general economic and political condition of each member state, as well as each state's credit worthiness and the willingness of the members to remain committed to monetary union and support for the other members. Currently, there are widely held concerns in the market regarding the credit risk associated with certain sovereigns, including some member states of the Eurozone, and the continued viability of the Eurozone.

Default by any state on its Euro debts or a material decline in the credit rating of any Eurozone state could have a material negative impact on the Company and its investments. A number of the sub-funds of the Company may operate in Euro and/or may hold Euro denominated assets either directly or as collateral. In addition, the Company's counterparties, banks, custodians and service providers may have direct or indirect exposure to these countries or currency and a default or credit decline could impact their ability to meet their obligations to and/or perform services for the Company. In the event of one or more member states exiting the Eurozone, or the abandonment of the Euro entirely, there may be material negative impact on some or all sub-funds of the Company and the value of investments, including risk of redenomination from Euro into another currency, possible capital controls and legal uncertainty as to the ability to enforce obligations and debts.

Prospective shareholders should inform themselves as to the risks surrounding the Eurozone crisis and the associated risk of an investment in the Company, taking into account the uncertainty as to how the Eurozone crisis and more general global economic situation will continue to evolve.

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 1993. This share class was launched in 1997.

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

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. Nil 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. |
| Depository Fee | In addition to the Depository 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 0.25% of the average daily net assets, which is the maximum annual rate 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.