

**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 Adviser	Morgan Stanley Investment Management Inc. located in the United States of America (internal delegation)
Depository	J.P. Morgan Bank Luxembourg S.A.
Ongoing Charges over a year (*)	Classes A, AX: 1.64% Classes AH, AHX: 1.68% Classes C, CX: 2.44% Classes CH, CHX: 2.48%
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 2019 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 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 US Advantage 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 the equity securities of large established companies based in or carrying out most of their business in the US. The investment process emphasises a bottom-up stock selection process, seeking attractive investments on an individual company basis.

The sub-fund may invest up to 30% of its value in other investments such as equities of companies not meeting the above requirements, convertible bonds, depository receipts (ADRs and GDRs), preference shares, warrants, China A-Shares via Stock Connect and other equity linked securities. Investment in China A-Shares via Stock Connect may not exceed 10% of the sub-fund's value.

The sub-fund may use financial derivatives including exchange traded and over-the-counter options, futures and other derivatives, for investment purposes to capture market opportunities, or 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 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).

The Sub Adviser actively integrates sustainability into the investment process by using environmental, social and governance ("ESG") factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Sub Adviser conducts research to examine how environmental and social initiatives within companies can drive enterprise value by creating growth opportunities, reducing risk, driving profitability, strengthening durable competitive advantages and/or aligning with secular growth trends. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation. The Sub Adviser does not treat ESG as a deterministic, reductive screen, nor as a portfolio construction tool layered on top of a passive vehicle.

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. Derivatives Risk

The use of derivatives involves different types of risk, and, in certain cases, this is greater than the risks presented by more traditional investment instruments. These risks include:

Market risk – the value of the derivative may go down as well as up in response to changes in market factors. If a short position is taken and the underlying investments increase in value, losses could, in theory, be unlimited in extreme market conditions.

Liquidity risk – it may be difficult to buy or sell a derivative, particularly if the derivative transaction is large or if the relevant market is illiquid. In such instances it may not be possible to undertake a transaction, or to undertake that transaction at a favourable price.

Counterparty risk – over-the-counter derivatives exposes a sub-fund to the credit of the counterparty and their ability to fulfil the terms of the derivative contract. If the counterparty is made bankrupt or becomes insolvent then the value of the derivative is likely to decline and the sub-fund may experience delays or the inability to realise its investment.

Valuation risk – derivative instruments may not always track closely the value of the underlying assets and consequently they may not be an effective means of following a sub-fund's investment objective.

Leverage risk – derivative instruments allow the sub-fund to gain a larger exposure to asset values than the amount it invests. As a result losses on derivative instruments can exceed the amount invested in them and significantly reduce the value of the sub-fund as a whole, and increase volatility in the sub-fund.

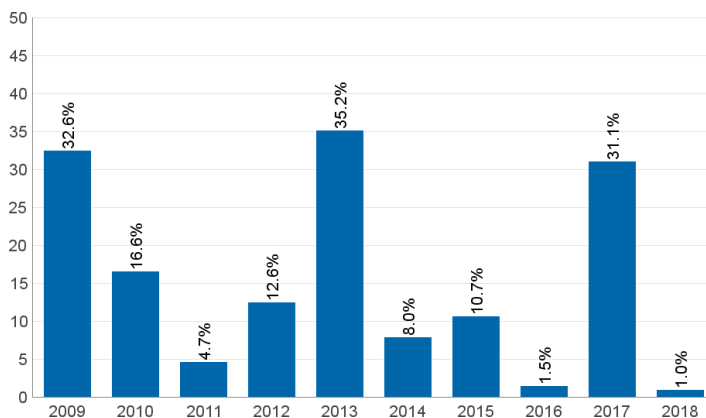
3. Exposure to the Euro and the Eurozone

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 ?



The performance of these years were achieved under circumstances that no longer apply, the investment policy was changed since August 2013.

■ NAV: US Advantage Fund class A (USD)

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. Where no past performance is shown there was insufficient data available in that year to provide performance.

The sub-fund was launched in 2005.

This share class was launched in 2005.

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	1.40% of the average daily net assets for classes A, AH, AHX, AX. 2.20% of the average daily net assets for classes C, CH, CHX, CX.
Depository Fee	The Depository Fee will be paid out of the Administration Charge.
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.