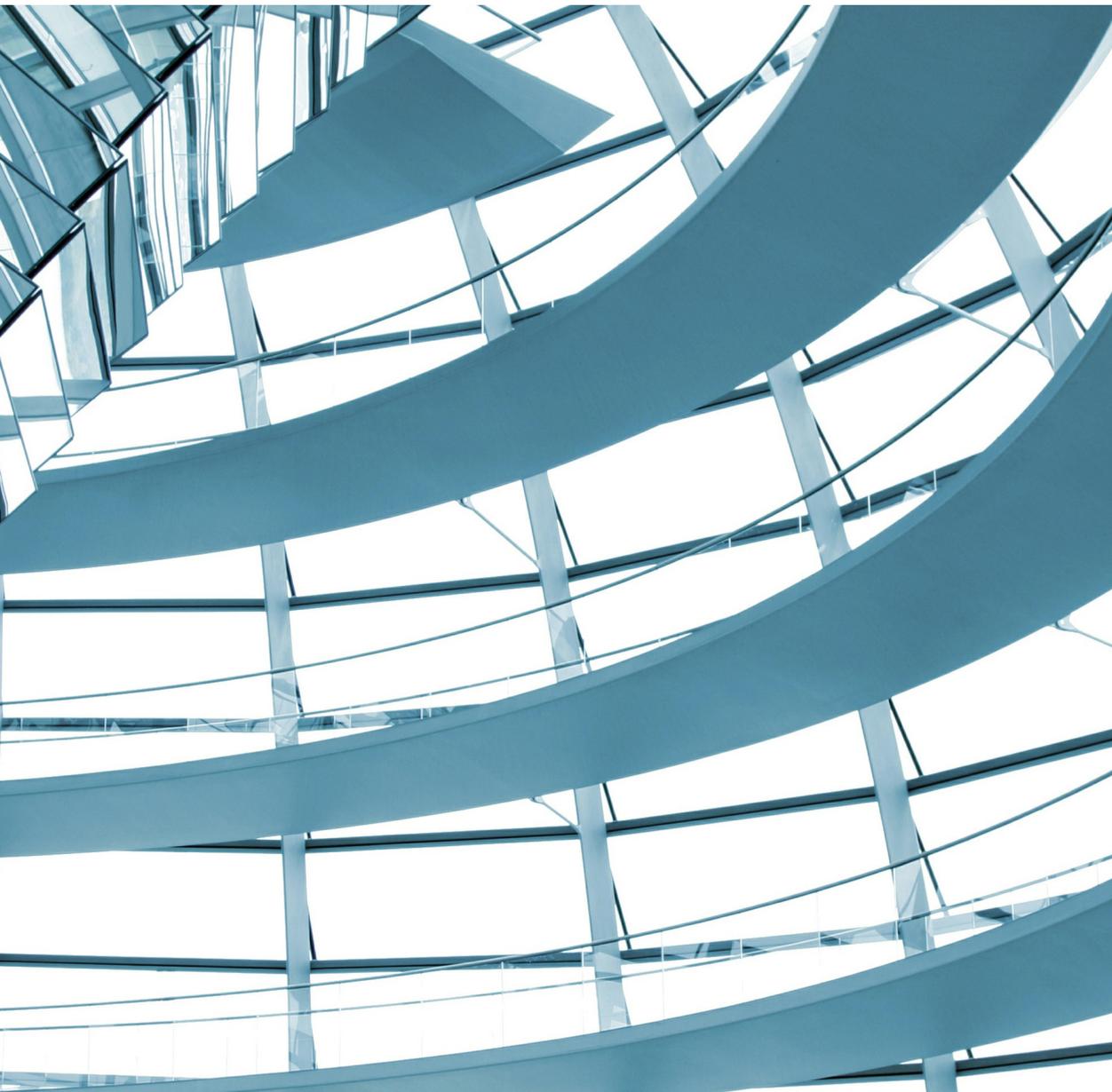


Morgan Stanley

INVESTMENT MANAGEMENT

Morgan Stanley Investment Funds (MS INVF)

Global Credit Fund



A Globally Diversified Portfolio of High Quality, Investment Grade Credit

We believe successful credit investing depends on four factors: a value-driven process, forward-looking credit analysis, broad diversification and a global approach.

Selecting the best investment opportunities from the global corporate bond universe is challenging, owing to the depth of knowledge required to perform in-depth security specific research in this diverse asset class. We have considerable expertise in this area, developed over many years and across numerous local marketplaces. Our consistent and repeatable investment process is capable of reacting quickly to changing market conditions. This robust process helps us to identify the best relative value opportunities across regions, industry sectors and individual credits, which we incorporate in a globally diversified portfolio of high-quality, multi-currency credit.

Unique and Global Process

We favour an integrated combination of top-down macroeconomic strategy and rigorous bottom-up credit analysis to identify the best opportunities across the global credit spectrum. Many global corporates issue different tranches of debt in a variety of currencies, and for this reason, we adopt a global approach to credit investing. We begin with a top-down macroeconomic assessment, to determine the optimal positioning for the portfolio, that we combine with thorough fundamental and quantitative credit research.

We utilise forward-looking credit analysis to identify situations where the market undervalues risk, such as those from credit, business or sector origins. Each investment idea is tested thoroughly before portfolio implementation. Internal debate is key to our process and we believe that the sharing and discussion of ideas leads to better investment decisions. Comprehensive risk management is a fundamental aspect of our investment process. We focus on portfolio diversification to reduce portfolio risk and supplement this with a number of powerful models and controls to manage risk levels.

Why Invest in Global Credit?

We believe the repair and recovery phases in the financial markets have been good for credit and that abundant opportunities still exist for diligent investors. Global credit investments provide an opportunity for investors to diversify away from government issues. Furthermore, corporate credit typically offers the benefit of a pickup in yield in comparison to government

issues. Regular discussion and debate between the Global Fixed Income Team ensures we remain aware of macroeconomic conditions and the business cycle.

Experienced and Diligent Credit Investors

Our team based approach to credit research allows investors to benefit from the combined insight of the entire Global Fixed Income Team. We consider a diverse array of perspectives related to the global fixed income markets, contributing to a richer overall understanding of current investment opportunities. Our commitment to research is exemplified by the integration of our research and portfolio management teams, to ensure that our findings are incorporated into our portfolio management activities.

The Global Fixed Income Team is a well-resourced and experienced group of credit investors. With over 35 years of experience of credit investing, the Global Fixed Income Team is characterised by a seamless, highly collaborative structure and robust approach to fixed income investing.

We believe that successful credit management depends on four factors:



This represents how the portfolio management team generally implements its investment process under normal market conditions included here for informational purposes only.



Investment Team

INVESTMENT EXPERIENCE

Richard Ford, <i>Managing Director</i>	28 years
Christian G. Roth, <i>Managing Director</i>	32 years
Joseph Mehlman, <i>Managing Director</i>	17 years

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

Differentiators

1. Globally Diversified Portfolio of Credit

We seek total returns from income and price appreciation by investing in a globally diversified portfolio of multi-currency credit.

2. Value Driven Philosophy

We believe that in the long run research wins and, we focus on market prices instead of focusing on macroeconomic forecasts.

3. Combined Qualitative and Quantitative Approach

We integrate strong qualitative analysis and robust quantitative valuation tools to provide a dynamic credit management process.

4. Extensive Experience

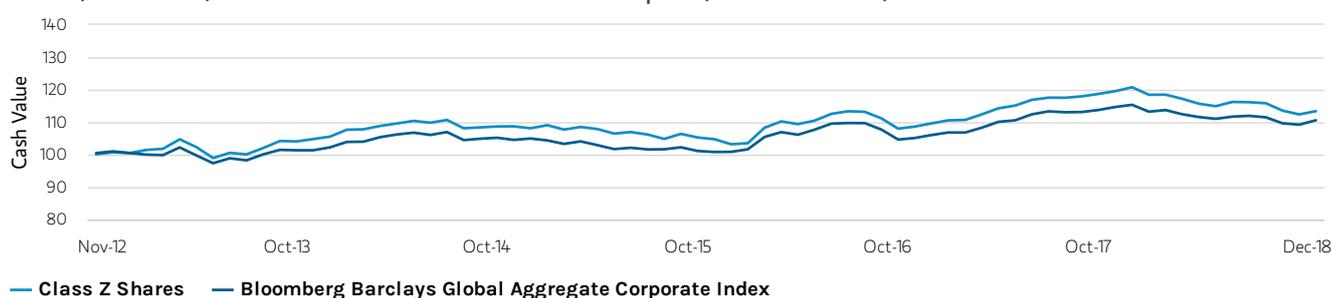
Our experience investing in fixed income assets dates back to 1975.

5. Intensive Risk Management

Comprehensive risk management is integral to our investment process and ensures we remain at the forefront of risk management and quantitative analysis.

MS INVF Global Credit Fund

Class Z (% net of fees) Performance of 100 USD Invested Since Inception (14 November 2012)



12 Month Performance Periods to Latest Month End (%)

	DECEMBER '17 - DECEMBER '18	DECEMBER '16 - DECEMBER '17	DECEMBER '15 - DECEMBER '16	DECEMBER '14 - DECEMBER '15	DECEMBER '13 - DECEMBER '14
Class Z Shares	-5.15	10.05	3.70	-3.64	3.74
Bloomberg Barclays Global Aggregate Corporate Index	-3.57	9.09	4.27	-3.56	3.15

Past 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. All data as of 31 December 2018 and subject to change daily. Please visit our website www.morganstanley.com/im to see the latest performance returns for the fund's other share classes.

Share Class Z 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.
- Investment in Fixed Income Securities via the China Interbank Bond Market may also entail additional risks, such as counterparty and liquidity risk.
- There are increased risks of investing in emerging markets as political, legal and operational systems may be less developed than in developed markets.
- 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.

DEFINITIONS

Government bonds are debt securities issued by a government.
Corporate bonds are debt securities issued by a corporation.
Quantitative analysis is the analysis of number measurements.
Qualitative analysis is an analysis that relates to quality and cannot be measured with numbers.

INDEX INFORMATION

The **Bloomberg Barclays Global Aggregate Corporate Index** is the corporate component of the Bloomberg Barclays Global Aggregate index, which provides a broad-based measure of the global investment-grade fixed income markets. It includes bonds of multi-currency issues from developed and emerging markets issuers within the industrial, utility and financial sectors.

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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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