

Morgan Stanley

INVESTMENT MANAGEMENT

Morgan Stanley Investment Funds (MS INVF)

Global Infrastructure Fund



For Professional Clients Only

REAL ASSETS | GLOBAL LISTED REAL ASSETS TEAM
FUND OVERVIEW | SEPTEMBER 30, 2017

An Active Approach to Access the Compelling Characteristics of Global Infrastructure, the Backbone of Commerce

By definition, infrastructure is the basic framework essential for societies and economies.

Infrastructure sectors such as airports, roads, ports, oil and gas pipelines and wireless telecommunication towers provide the network for global commerce. The need to deploy capital to repair and expand existing infrastructure, as well as the opportunity to develop new networks, in the case of developing countries, is apparent over both the short and the long term.

We believe in the significant growth potential of infrastructure, with the prospect for compelling total returns over the medium- and long-term, including a strong income component. Allocations to the global listed infrastructure securities market can provide investors with exposure to a growing asset class with favourable risk / return characteristics as well as little overlap to the broader equity markets. The characteristics of infrastructure, such as cash flow explicitly hedged against inflation and historically above-average dividend yields, may satisfy the needs of investors in the current market environment.

Active, Value-Oriented Management

The Morgan Stanley Investment Funds Global Infrastructure Fund (the “Fund”) seeks to provide cost-effective exposure to infrastructure assets in a manner comparable or superior to direct infrastructure investments. The Fund, which typically invests in publically-listed global infrastructure securities, offers investors the potential benefits of daily liquidity and price transparency, along with geographic and sector diversification.

We believe the performance of infrastructure securities will be most highly correlated with the underlying value of their assets and seek to invest in equity securities of publically-listed infrastructure companies offering the best value relative to their underlying assets and growth prospects. To identify companies that we believe offer the best value, we utilise a process of active management, including an integrated process of both top-down and bottom-up research, using a wealth of proprietary models.

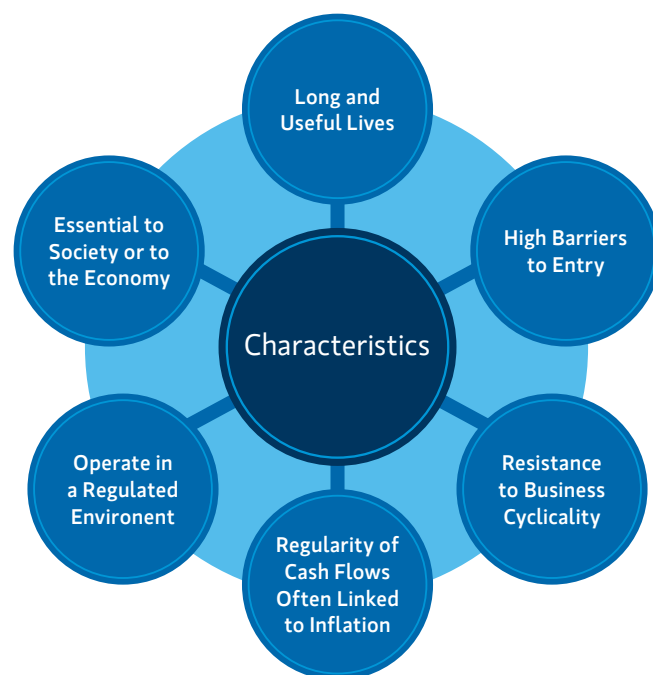
Instead of an emphasis on income and dividend yield, we focus on total return. Our long term investment approach is irrespective of short term trends and has resulted in low portfolio turnover, and increased cost efficiency. We believe

it is important to seek securities that will work well in both strong and weak economic environments, including those that work well with “zero growth.”

Experienced Infrastructure Managers

The Global Infrastructure Fund is managed by lead portfolio manager Ted Bigman and co-portfolio manager Matt King who have 40 years of combined financial industry experience. The Global Infrastructure Securities Team is part of the wider Global Listed Real Assets Team and has full access to the resources available from this team. The Global Listed Real Assets Team is a long tenured, highly experienced group of investors that manage over \$21 billion of assets, as of December 31 2015, and maintain a local presence in Europe, Asia and the U.S. We aim to leverage the team’s considerable experience when managing the Fund, as we believe the analysis of public real estate and infrastructure companies share many common characteristics.

Example Characteristics of Infrastructure Investments



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

Investment Team and Years of Experience

TED BIGMAN
MANAGING DIRECTOR, 30 YEARS

MATTHEW KING
MANAGING DIRECTOR, 17 YEARS

Team members are subject to change from time to time without notice.

Morningstar Overall Rating

CLASS Z SHARES



EAA Fund Sector Equity Infrastructure
Out of 172 Funds. Based on Risk Adjusted Return.

WHY INVEST?

1. Attractive Risk / Return Characteristics

The global infrastructure securities market has provided superior risk adjusted returns historically compared to the general equity markets, while potentially providing portfolio diversification benefits¹.

2. An Exciting Theme and Timely Investment Opportunity

We believe in the significant growth potential of the global infrastructure market, with the prospect for compelling total returns over the medium and long-term.

3. A Cost-Effective Structure

Investing in publically-listed securities offers a more liquid and cost-effective way to establish core exposure to global infrastructure companies compared with direct infrastructure investments.

4. Experienced Management

Managed by a team with considerable industry experience in addition to support from the wider Global Listed Real Assets Team, that provides a wealth of resources for infrastructure investing.

5. Daily Dealing Access to the Infrastructure Markets

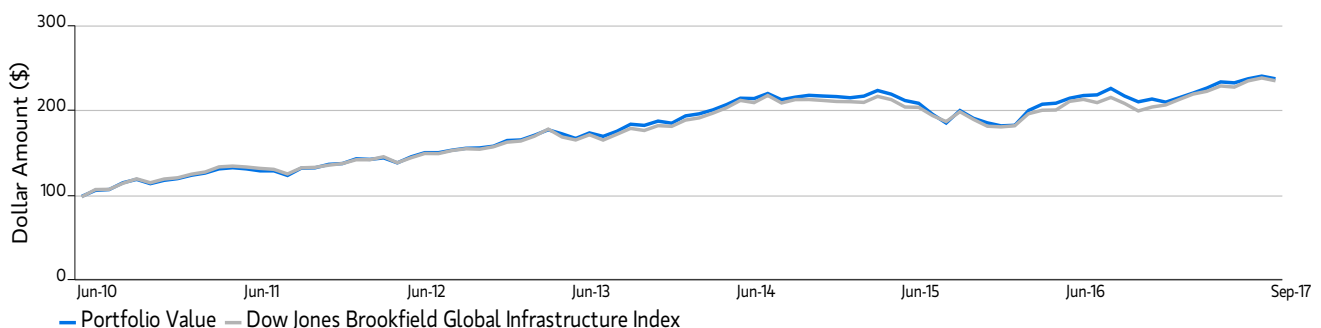
Access to a market that is typically attained using direct investment.

¹ Global equity market index represented by the S&P Global BMI Index over the five year period. Data as at 31 December 2015.

MS INVF Global Infrastructure Fund Performance Information*

	QTD	YTD	1 YEAR	3 YEARS (Annualised)	5 YEARS (Annualised)	10 YEARS (Annualised)	SINCE INCEPTION (Annualised)
MS INVF GLOBAL INFRASTRUCTURE FUND	2.07%	11.18%	5.05%	3.74%	9.17%	-	12.57%
DOW JONES BROOKFIELD GLOBAL INFRASTRUCTURE INDEX	3.30%	15.21%	9.16%	4.03%	9.01%	-	12.41%
OUTPERFORMANCE	-1.23%	-4.03%	-4.11%	-0.29%	0.16%	-	0.16%

Growth of \$100 Investment in the MS INVF Global Infrastructure Fund Since Inception*



*SOURCE: Morgan Stanley Investment Management, data as at 30 September 2017. "Z" Share Class data (inception: 14 June 2010) is shown in the fund's base currency (U.S. dollars). Returns may increase or decrease as a result of currency fluctuations. 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 units. Past performance is not a reliable indicator of future performance.

General Fund Information

FUND LAUNCH DATE: June 2010

BASE CURRENCY: USD

CURRENCIES AVAILABLE: EUR, USD

To Learn More About This Fund Please Visit Our Website

www.morganstanley.com/im

IMPORTANT INFORMATION

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Risk Warnings

Past performance is not a guarantee of future performance. 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. There can be no assurance that the Fund will achieve its investment objectives.

Securities of companies engaged in the Infrastructure industry are subject to a variety of factors that may adversely affect their business or operations; including high interest costs in connection with capital construction programs, costs associated with compliance with and changes in environmental and other regulations, difficulty in raising capital inadequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, the effects of surplus capacity, increased competition from other providers of services in a developing deregulatory environment, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors.

Additionally, infrastructure-related entities may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, government budgetary constraints, service interruption due to environmental, operational or other mishaps and the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards. Other factors that may affect the operations of infrastructure-related companies include innovations in technology that could render the way in which a company delivers a product or service obsolete, significant changes to the number of ultimate end-users of a company's products, increased susceptibility to terrorist acts or political actions, risks of environmental damage due to a company's operations or an accident, and general changes in market sentiment towards infrastructure and utilities assets.

In the event that any of the risks associated with the infrastructure industry materialise, the value of securities issued by companies engaged in the infrastructure business may decline. To the extent that a Fund is invested in such securities, this may result in a corresponding decline in the Net Asset Value per share of that Fund, potentially uncorrelated to the rest of the equity market.

These investments are designed for investors who understand and are willing to accept these risks. Performance may be volatile, and an investor could lose all or a substantial portion of his or her investment.

Morningstar:

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account sales loads. © 2017 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.**

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