

Morgan Stanley Investment Funds

Global Bond Fund

Investment objective

Seeks to provide an attractive rate of return, measured in U.S. dollars, through market, instrument and currency selection. The Fund consists of domestic, international and euromarket fixed income securities of varying maturities denominated in U.S. dollars and other currencies, including emerging markets.

Share Class I Risk and Reward profile



The higher the category (1 - 7), the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk-free investment.

Download the fund's Key Investor Information document for share class tailored risk ratings and warnings at: www.morganstanleyinvestmentfunds.com

Class I shares vs. benchmark^{1,2}

Performance of 100 U.S. dollars invested since inception



Returns in U.S. dollars vs. benchmark^{1,2}

Fund (net of fees) %

Period	I	A	B	Index
One month	(0.24)	(0.26)	(0.35)	(0.38)
Last three months	(0.02)	(0.10)	(0.35)	(0.30)
YTD	7.82	7.48	6.58	5.85
One year	3.44	3.06	2.01	1.18
Three years (annualised)	1.52	1.10	0.10	1.17
Five years (annualised)	1.17	0.74	(0.26)	0.43
Ten years (annualised)	3.79	3.35	2.32	3.29
Since inception (annualised)	5.57	n/a	n/a	5.86

% 12 month returns

31.10.16 - 31.10.17	3.44	3.06	2.01	1.18
31.10.15 - 31.10.16	5.30	4.83	3.80	5.59
31.10.14 - 31.10.15	(3.94)	(4.35)	(5.28)	(3.07)
31.10.13 - 31.10.14	1.94	1.51	0.50	0.22
31.10.12 - 31.10.13	(0.63)	(1.07)	(2.06)	(1.54)

Past performance is not a reliable indicator of future results. 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.

Morningstar Overall Rating

Class I shares



EAA Fund Global Bond

Out of 859 Funds. Based on Risk Adjusted Return.

Fund facts

Fund launch	November 1989
Investment team	Christian Roth, Michael Kushma, Jim Caron, Richard Ford
Location	New York
Base currency	U.S. dollars
Benchmark^{3,4}	Bloomberg Barclays Global Aggregate Index
Total assets	\$ 641.6 million
NAV Class I	\$ 45.65

Portfolio characteristics	Fund	Index
Duration	6.73	6.97
Average yield to maturity	2.29	1.61
Number of holdings	363	20944

Duration distribution (% of Total Net Assets)	Fund
Less than 1 year	3.02
1 to 3 years	14.66
3 to 5 years	22.30
5 to 7 years	22.67
7 to 10 years	19.50
Greater than 10 years	15.34
Cash & Equivalents	2.50
Total	100.00

Currency distribution (%)	Fund
US Dollar	44.48
Euro	24.42
Japanese yen	15.32
British Pound	5.16
Canadian Dollar	2.60
South Korean Won	1.27
Russian Ruble	1.23
Norwegian Krone	1.13
Indonesian Rupiah	0.99
Polish Zloty New	0.75
Other	2.66
Total	100.00

Statistics (Class I shares)	Fund
Alpha	0.35
Beta	0.97
R squared	0.88
Information ratio	0.20
Tracking error	1.76
Fund volatility (Standard deviation)	5.04
Index volatility (Standard deviation)	4.88

Based on monthly observations, annualised over last 3 years.

Charges	Z	I	A	B
Ongoing charges % ⁵	0.60	0.64	1.04	2.04
Management Fee %	0.45	0.45	0.80	0.80

Please read in full including the footnotes and Important Information.

Share Class	CCY	ISIN	Bloomberg	Launch
A	USD	LU0073230426	MORGLBI LX	01.02.1997
AH (EUR)	EUR	LU0552899485	MSGDBAH LX	25.10.2010
AHX (EUR)	EUR	LU0691071418	MSGEAHX LX	03.11.2011
AX	USD	LU0218435716	MORIGAX LX	01.06.2005
B	USD	LU0073230699	MORGLBB LX	01.06.1997
BH (EUR)	EUR	LU0341474699	MORGLBH LX	25.10.2010
BHX (EUR)	EUR	LU0691071681	MSGEBHX LX	03.11.2011
BX	USD	LU0691071509	MSGDBDX LX	03.11.2011
C	USD	LU0176154598	MSGLBBC LX	29.07.2008
I	USD	LU0011983433	MORIGLB LX	01.11.1989
Z	USD	LU0360476583	MORGBDZ LX	30.06.2008
ZH (EUR)	EUR	LU0360476666	MSGZHEU LX	11.02.2016
ZH1 (EUR)	EUR	LU1618175894	MSGBZHI LX	07.07.2017

Footnotes

Publication date: 16 November 2017.

¹ See the 'Share Class' section for inception date(s).

² The benchmark for the Fund is a blend of the JPM Global Traded Unhedged Index to 31 March 2004, the Citi WGBI Index to 31 January 2010 and the Bloomberg Barclays Global Aggregate Bond Index thereafter. The benchmark is calculated by geometrically chain-linking the monthly returns.

³ The benchmark name changed from Barclays Global Aggregate Index to Bloomberg Barclays Global Aggregate Index on 24th August 2016.

⁴ This benchmark is based on the Official Bloomberg Barclays Global Aggregate Bond - Euro Hedged Index in Eur. A proprietary Morgan Stanley overlay has been applied to come to a return. The returns of the Index are not official returns of any Bloomberg Barclays index, nor have they been calculated, published, prepared or otherwise advised upon by Bloomberg Barclays or any of its affiliates. Barclays make no representation or warranty of any kind, either express or implied with respect to the data (or the results obtained by the use thereof).

⁵ The Ongoing Charges Figure ("OCF") reflects the payments and expenses which cover aspects of operating the fund and is deducted from the assets over the period. It includes fees paid for investment management, trustee/custodian, and administration charges.

This fund received a compensation payment in connection with Prudential Equity Group's settlement with the U.S. SEC relating to market timing charges. Consequently, the net cash injection received in March 2010 and the related withholding tax, accrued in September 2010 and received in August 2011, have increased the fund's AUM by USD 1,517,320 and USD 650,280, respectively.

Morningstar

Ratings: 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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Copies of the Prospectus, Key Investor Information Document, 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 source for all performance and index data is Morgan Stanley Investment Management Limited. Calculations are NAV to NAV. Performance is quoted net of fees and with income reinvested.

For cash management purposes the Fund may invest in shares in the Liquidity Funds of Morgan Stanley Liquidity Funds.

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