

Morgan Stanley Investment Funds

Emerging Markets Corporate Debt Fund - BHX (EUR) Shares (Distributing NAV Hedged Share Class)

Investment Objective

To generate income and the long term growth of your investment.

Investment Approach

Seeks to maximise total return, measured in U.S. dollars, primarily through investments across the credit spectrum of debt securities of corporate issuers, together with investing in debt securities of government and government related issuers located in emerging markets. The Fund intends to invest its assets in emerging market corporate debt securities that provide a high level of current income, while at the same time holding the potential for capital appreciation.

Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Warren Mar, Managing Director	2012	23
Eric Baumeister, Managing Director	1997	24
Sahil Tandon, Executive Director	2004	14

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

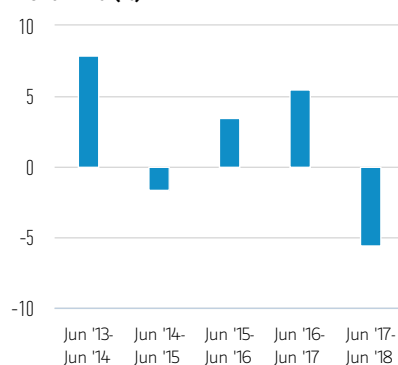
Class BHX (EUR) Shares (% net of fees) in EUR

Performance of 100 EUR Invested Since Inception (Cash Value)



— Class BHX (EUR) Shares

12 Month Performance Periods to Latest Month End (%)



■ Class BHX (EUR) Shares

Investment Performance (% net of fees) in EUR

	Cumulative (%)				Annualised (% p.a.)				
	1 M	3 M	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION	
Class BHX (EUR) Shares	(1.86)	(4.75)	(7.02)	(5.53)	1.01	1.81	--	3.01	

Calendar Year Returns (%)

	2017	2016	2015	2014	2013	2012	2011
Class BHX (EUR) Shares	6.71	7.45	(2.27)	3.12	(3.25)	18.57	--

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. The sources for all performance and Index data is Morgan Stanley Investment Management.

Share Class

	CLASS BHX (EUR)
Currency	Euro
ISIN	LU0691070873
Bloomberg	MSEMBHX LX
Inception Date	03 November 2011
NAV	€ 25.38

Fund Facts

Launch date	07 March 2011
Base currency	U.S. dollars
Index	JPM Corporate Emerging Markets Bond Index-Broad Diversified Index
Total assets	\$ 1.0 billion
Structure	Luxembourg SICAV

Charges (%)

	CLASS BHX (EUR)
Max Entry Charge	0.00
Ongoing Charges	2.73
Management Fee	1.45

Entry Charge is a maximum possible figure. In some cases you might pay less, you can find this out from your financial adviser. Ongoing Charges reflect the payments and expenses incurred during the fund's operation and are deducted from the assets of the fund over the period. It includes fees paid for investment management (Management Fee), trustee/custodian, and administration charges. For more information please see the Charges and Expenses section of the prospectus.

Subscriptions (USD)

	CLASS BHX (EUR)
Minimum Initial Investment	0
Minimum Subsequent Investment	0

Characteristics

	FUND	INDEX
Interest Rate Duration (years)	4.53	4.59
Average yield to maturity (%)	7.38	5.91
Number of holdings	161	1,419

Top 10 Issuers (% of Total Net Assets)¹

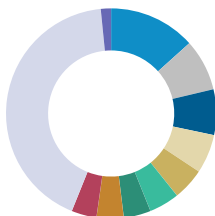
	FUND
Minerva Luxembourg S.A.	2.17
Teva Pharmaceutical Finance Neth	1.98
Banco Macro S.A.	1.29
YPF S.A.	1.24
Geopark Holdings Ltd	1.18
Agricola Senior Trust	1.17
Soechi Capital Pte Ltd	1.15
United Bank For Africa plc	1.14
China Minmetals	1.13
Credit Bank of Moscow Via Cbom F	1.11
Total	13.56

Asset Breakdown (% of Total Net Assets)²

	PORTFOLIO
Sovereign	0.00
Quasi-Sovereign	5.59
Corporates	92.83
Industrial	7.16
Financials	27.38
Oil & Gas	9.81
Consumer	8.94
Diversified	1.52
TMT	6.18
Infrastructure	5.52
Metals & Mining	7.19
Pulp & Paper	0.00
Transport	2.84
Real Estate	9.10
Utilities	6.60
Other	0.60
Cash	1.59

Geographic Allocation (% of Total Net Assets)²

	FUND
China	13.35
Brazil	7.94
Mexico	7.02
Indonesia	6.01
Argentina	4.94
Nigeria	4.65
India	4.18
United Arab Emirates	4.16
Russia	3.88
Other	42.30
Cash & equivalents	1.59
Total	100.00



¹These securities and percentage allocations are only for illustrative purposes and do not constitute, and should not be construed as, investment advice or recommendations with respect to the securities or investments mentioned.

²May not sum to 100% due to rounding.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 30.06.2018 and subject to change daily.

Share Class BHX (EUR) Risk and Reward Profile

Lower Risk

Higher Risk



Potentially Lower Rewards

Potentially Higher Rewards

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 from emerging markets 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.

Additional B Share Classes

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
B	USD	07.03.2011	LU0603408112	MSEMCDB LX
BH (EUR)	EUR	07.03.2011	LU0603408542	MSEMCBH LX
BX	USD	03.11.2011	LU0691070790	MSEMCBX LX

DEFINITIONS

Average yield to maturity measures the annual return on interest-bearing securities. In this it is assumed that they will be held to maturity. This metric includes both the coupon payments received during the term of the security and the repayment of the capital on maturity. **Bloomberg** stands for 'Bloomberg Global Identifier (BBGID)'. This is a unique 12 digit alphanumeric code designed to enable the identification of securities, such as the Morgan Stanley Investment Funds sub-funds at share class level, on a Bloomberg Terminal. The Bloomberg Terminal, a system provided by Bloomberg L.P., enables analysts to access and analyse real-time financial market data. Each Bloomberg code starts with the same BBG prefix, followed by nine further characters that we list here in this

guide for each share class of each fund. **Cash & Equivalents** are defined as the value of assets that can be converted into cash immediately. These include commercial paper, open FX transactions, Treasury bills and other short-term instruments. Such instruments are considered cash equivalents because they are deemed liquid and not subject to significant risk of changes in values. **Interest Rate Duration** is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. **ISIN** is the international securities identification number (ISIN), a 12 digit code consisting of numbers and letters that distinctly identifies securities. **NAV** is the Net Asset Value per share of the Fund (NAV), which represents the value of the assets of a fund less its liabilities. **Number of holdings**

provided are a typical range, not a maximum number. The portfolio may exceed this from time to time due to market conditions and outstanding trades.

INDEX INFORMATION

JP Morgan CEMBI Broad Diversified Index a global, liquid corporate emerging-markets benchmark that tracks U.S.-denominated corporate bonds issued by emerging-markets entities.

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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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