Morgan Stanley

INVESTMENT MANAGEMENT

GLOBAL FIXED INCOME
FACTSHEET | 31 May 2020
Investors should read the Key Investor Information Document and Prospectus before investing.

Morgan Stanley Investment Funds

Global High Yield Bond Fund - I Shares

(Accumulation Share Class)

Investment Objective

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

Investment Approach

Seeks to provide an attractive rate of return, measured in U.S. dollars, through investments worldwide primarily in Fixed Income Securities issued by corporations that are rated lower than 'BBB-' by S&P or 'Baa3' by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Advisor. The global nature of the Fund allows the portfolio manager to access greater liquidity in a broader market, to seek relative value opportunities, and to obtain exposure to different economic trajectories around the world.

Investment Team	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Richard Lindquist, Managing Director	2011	38
Leon Grenyer, Managing Director	2002	24
Jack Cimarosa, Executive Director	2012	15
Sarah Harrison, Executive Director	2009	11

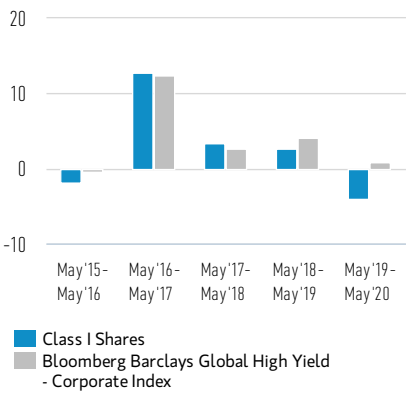
Team members may be subject to change at any time without notice.

Class I Shares (% net of fees) vs. Index in USD

Performance of 100 USD Invested Since Inception (Cash Value)



12 Month Performance Periods to Latest Month End (%)



Investment Performance (% net of fees) in USD

	Cumulative (%)				Annualised (% p.a.)			
	1 M	3 M	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I Shares	6.12	-8.54	-9.63	-4.06	0.62	2.44	--	1.53
Bloomberg Barclays Global High Yield - Corporate Index	4.32	-3.74	-5.34	0.92	2.56	3.88	--	2.94

Calendar Year Returns (%)	2019	2018	2017	2016	2015	2014	2013
Class I Shares	13.26	-4.66	9.77	12.63	-2.74	--	--
Bloomberg Barclays Global High Yield - Corporate Index	13.42	-3.47	10.29	13.99	-4.94	--	--

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 I
Currency	U.S. dollars
ISIN	LU0705913167
Bloomberg	MGHYBIU LX
Inception date	15 May 2014
Net asset value	$ 27.41

Fund Facts	
Launch date	18 November 2011
Base currency	U.S. dollars
Index	Bloomberg Barclays Global High Yield - Corporate Index
Total net assets	$ 434.08 million
Structure	Luxembourg SICAV

Charges (%)	CLASS I
Max Entry Charge	3.00
Ongoing Charges	**0.79**
Management Fee	0.60

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.

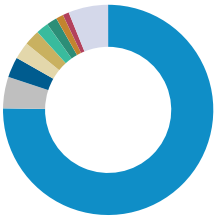
Subscriptions (USD)	CLASS I
Minimum initial investment	0
Minimum subsequent Investment	0

Statistics (3 Year Annualised)	CLASS I	INDEX
Excess Return (%)	-1.95	--
Alpha (%)	-2.23	--
Beta	1.35	--
R squared	0.97	--
Sharpe ratio	-0.09	0.09
Tracking error (%)	3.91	--
Volatility (Standard deviation) (%)	12.57	9.17

Characteristics	FUND	INDEX
Duration (years)	3.96	3.70
Average yield to maturity (%)	8.93	7.05
Number of holdings	293	3,130

Please refer to the additional information and definitions section at the end of this document.

Top Countries (% of Total Net Assets)[1]

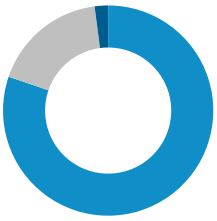


	FUND
U.S.	76.10
Canada	4.89
France	3.18
United Kingdom	2.66
Spain	2.43
Germany	1.94
Netherlands	1.63
Belgium	1.15
Italy	0.97
Other	6.18
Cash	-1.14

Sector Allocation (% of Total Net Assets)[1,2]

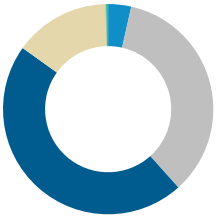
	PORTFOLIO
Government Related	**0.18**
Investment Grade Corporates	**0.47**
Financial Institutions	0.47
High Yield Corporates	**100.50**
NR Corporates	**0.01**
Equity	**0.33**
Cash & Equivalents	**-1.48**

Currency Allocation (% of Total Net Assets)[1]



	FUND
US Dollar	80.22
Euro	17.72
British Pound	2.06

Quality Distribution (% of Total Net Assets)[1,3]



	FUND
BBB	3.60
BB	35.33
B	47.21
CCC	14.88
CC	0.13
Not Rated	0.33
Cash	-1.48

[1] May not sum to 100% due to the exclusion of other assets and liabilities.
[2] For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.
[3] Quality distribution data for securities is sourced from Fitch, Moody's and S&P. Where the credit ratings for individual securities differ between the three ratings agencies, the 'highest' rating is applied. The rating of credit default swaps is based on the 'highest' rating of the underlying reference bond. 'Cash' includes investments in short term instruments, including investments in Morgan Stanley liquidity funds.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 31.05.2020 and subject to change daily.

Share Class I 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 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 I Share Classes

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
IX	USD	03.07.2014	LU0712124758	MSGHYIX LX

DEFINITIONS

Alpha (Jensen's) is a risk-adjusted performance measure that represents the average return on a portfolio or investment above or below that predicted by the capital asset pricing model (CAPM) given the portfolio's or investment's beta and the average market return. Prior to 6/30/2018 Alpha was calculated as the excess return of the fund versus benchmark. **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. **Beta** is a measure of the relative volatility of a fund to the market's upward or downward movements. A beta greater than 1.0 identifies an issue or fund that will move more than the market, while a beta less than 1.0 identifies an issue or fund that will move less than the market. The Beta of the Market is always equal to 1. **Bloomberg** stands for 'Bloomberg Global Identifier (BBGID)'. This is a unique 12 digit alphanumerical 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. **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. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. **Excess Return** or value added (positive or negative) is the portfolio's return relative to the return of the benchmark. **Information ratio** is the portfolio's alpha or excess return per unit of risk, as measured by tracking error, versus the portfolio's benchmark. **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. **R squared** measures how well an investment's returns correlate to an index. An R squared of 1.00 means the portfolio performance is 100% correlated to the index's, whereas a low r-squared means that the portfolio performance is less correlated to the index's. **Sharpe ratio** is a risk-adjusted measure calculated as the ratio of excess return to standard deviation. The Sharpe ratio determines reward per unit of risk. The higher the Sharpe ratio, the better the historical risk-adjusted performance. **Tracking error** is the standard deviation of the difference between the returns of an investment and its benchmark. **Volatility (Standard deviation)** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value.

INDEX INFORMATION

The **Bloomberg Barclays Global High Yield- Corporate Index:** is a multi-currency measure of the global high yield corporate debt market.

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