

Morgan Stanley Investment Funds

US Dollar Short Duration High Yield Bond Fund

Investment objective

Seeks to provide an attractive rate of total return, measured in U.S. dollars, by investing primarily in high yield and unrated U.S. dollar denominated Fixed Income Securities, including without limitation those issued by governments, agencies and corporations located in emerging markets and for the avoidance of doubt including asset backed securities. The weighted average duration of the Fund will normally be less than 3 years, although this may be higher under certain market conditions.

Share Class Z Risk and Reward profile

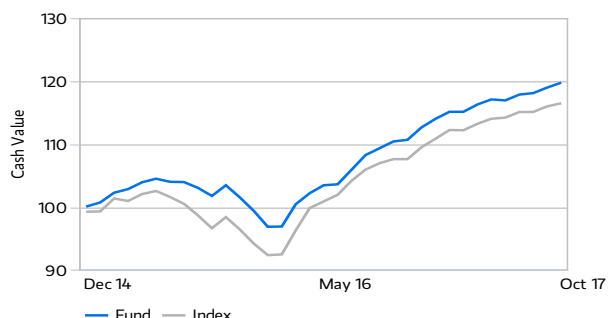


The higher the category (1 - 7), the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk-free investment.

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

Class Z shares vs. benchmark¹

Performance of 100 U.S. dollars invested since inception



Returns in U.S. dollars vs. benchmark¹

Fund (net of fees) %

Period	Z	Index
One month	0.64	0.42
Last three months	1.59	1.21
YTD	6.28	6.35
One year	8.40	8.22
Since inception (annualised)	6.40	5.40

% 12 month returns

31.10.16 - 31.10.17	8.40	8.22
31.10.15 - 31.10.16	6.72	9.31

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.

Fund facts

Fund launch	December 2014
Investment team	Richard Lindquist, Jack Cimarosa
Location	New York
Base currency	U.S. dollars
Benchmark²	Bloomberg Barclays US High Yield 1-5 Year Cash Pay 2% Issuer Capped Index
Total assets	\$ 32.4 million
NAV Class Z	\$ 29.94

Portfolio characteristics	Fund	Index
Duration	1.75	2.11
Yield to worst	6.09	5.57
Number of holdings	155	866

Geographic distribution (% of Total Net Assets)	Fund
U.S.	85.27
Canada	4.00
United Kingdom	2.09
Ireland	1.45
Australia	1.24
Switzerland	1.21
China	0.82
Luxembourg	0.79
Jamaica	0.76
Other	1.55
Cash & Equivalents	0.82
Total	100.00

Sector distribution (% of Total Net Assets)	Fund
US High Yield Industrial	72.35
Non-US Developed Market High Yield Industrial	11.52
US High Yield Financial	9.15
US High Yield Utility	1.98
Emerging Market High Yield Industrial	1.58
US Unrated Corporates	0.91
Other Cash	0.82
Non-US Developed Market High Yield Financial	0.81
US Non-High Yield Industrial	0.56
US Non-High Yield Financial	0.32
Total	100.00

Currency distribution (%)	Fund
US Dollar	100.00
Total	100.00

Quality distribution (% of Total Net Assets) ³	Fund
BBB	1.05
BB	27.60
B	56.89
CCC	12.73
Not Rated	0.91
Cash	0.82
Total	100.00

Charges	Z	A	B
Ongoing charges % ⁴	0.55	1.24	2.24
Management Fee %	0.40	1.00	1.00

Please read in full including the footnotes and Important Information.

Share Class	CCY	ISIN	Bloomberg	Launch
A	USD	LU1134225132	MUSDHYA LX	04.12.2014
AH (EUR)	EUR	LU1610904176	MUSHYAH LX	24.05.2017
AR	USD	LU1697574967	MUSHYAR LX	11.10.2017
AX	USD	LU1134225306	MUSHYAX LX	04.12.2014
B	USD	LU1134225561	MUSDHBA LX	04.12.2014
BH (EUR)	EUR	LU1610904093	MUSHYBH LX	24.05.2017
BX	USD	LU1134225728	MUSHYBX LX	04.12.2014
C	USD	LU1134226023	MUSDHCA LX	04.12.2014
CH (EUR)	EUR	LU1610903954	MUSHYCH LX	24.05.2017
CX	USD	LU1134226379	MUSHYCX LX	04.12.2014
I	USD	LU1134226536	MUSDHYI LX	04.12.2014
Z	USD	LU1134226700	MUSDHYZ LX	04.12.2014

Footnotes

Publication date: 16 November 2017.

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

² The benchmark name changed from Barclays US High Yield 1-5 Year Cash Pay 2% Issuer Capped Index to Bloomberg Barclays US High Yield 1-5 Year Cash Pay 2% Issuer Capped Index on 24th August 2016.

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.

⁴ 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.

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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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