

Morgan Stanley Investment Funds

US Active Factor Equity Fund

Investment objective

The investment objective is to seek long term capital appreciation, measured in US Dollars. The Fund seeks to outperform the benchmark regardless of which investment style – value or growth – is currently in favour. Their flexible approach combines quantitative models with stock-specific research to identify 30-60 mid- to large-capitalization companies in the U.S. with attractive valuations, above-average appreciation potential and competitive dividend yields.

Share Class Z Risk and Reward profile

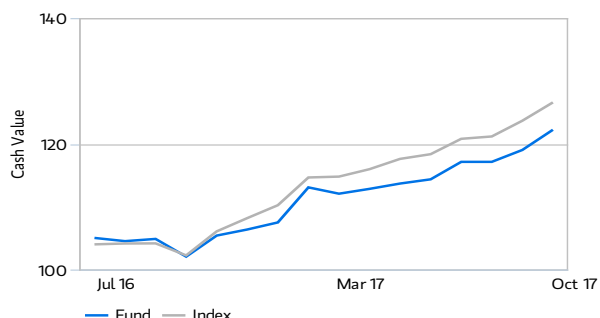


The higher the category (1 - 7), the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk-free investment.

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	A	B	Index
One month	2.69	2.64	2.54	2.33
Last three months	4.33	4.16	3.89	4.76
YTD	14.83	14.13	13.18	16.91
One year	19.64	18.75	17.55	23.63
Since inception (annualised)	16.45	n/a	n/a	19.54

% 12 month returns

31.10.16 - 31.10.17	19.64	18.75	17.55	23.63
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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	July 2016
Investment team	Andrew Slimmon, Phillip Kim
Location	Chicago
Base currency	U.S. dollars
Benchmark	S&P 500 Total Return Index
Total assets	\$ 6.7 million
NAV Class Z	\$ 30.58

Portfolio characteristics

	Fund	Index
Active share	84.67	n/a
Number of holdings	27	505
P/E (Next 12 Months)	19.20	18.54
Weighted average market capitalization (\$B)	158.52	175.80

Top 10 holdings (% of Total Net Assets)

	Fund	Index
Mastercard Inc	6.98	0.63
CIGNA Corp	5.78	0.23
Ameriprise Financial Service	5.66	0.11
Mcdonalds Corp	5.60	0.61
JP Morgan Chase & Co.	5.23	1.60
Alphabet Inc	5.14	2.79
Comcast Corp	5.10	0.77
Apple Inc	5.01	3.96
Northrop Grumman Corp	4.97	0.23
Illinois Tool Works Inc	4.88	0.22
Total	54.35	-

Sector distribution (% of Total Net Assets)

	Fund	Index
Information Technology	33.02	24.47
Consumer Discretionary	25.86	11.87
Financials	13.89	14.69
Health Care	13.23	14.07
Industrials	10.64	10.02
Energy	2.12	5.92
Cash & Equivalents	1.25	-
Total	100.00	-

Charges

	Z	A	B
Ongoing charges % ²	0.60	1.34	2.34
Management Fee %	0.45	1.10	1.10

Share Class

Share Class	CCY	ISIN	Bloomberg	Launch
A	USD	LU1439781847	MSUAFEA LX	05.07.2016
AH (EUR)	EUR	LU1439782498	MSUAAHE LX	05.07.2016
B	USD	LU1439781920	MSUAFEB LX	05.07.2016
BH (EUR)	EUR	LU1439782571	MSUABHE LX	05.07.2016
C	USD	LU1439782068	MSUAFEC LX	05.07.2016
CH (EUR)	EUR	LU1439782654	MSUACHE LX	05.07.2016
I	USD	LU1439782142	MSUAFEI LX	05.07.2016
Z	USD	LU1439782225	MSUAFEZ LX	05.07.2016

Footnotes

Publication date: 16 November 2017.

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

² 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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Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. 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 are additional risks involved with this type of investment. Please refer to the Prospectus and relevant Key Investor Information for full risk disclosure.

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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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