

Morgan Stanley Investment Funds Global Convertible Bond Fund

Investment objective

Seeks long-term capital appreciation, measured in U.S. dollars, through investment primarily in convertible bonds issued by companies organised or operating in either the developed or emerging markets which will be denominated in global currencies.

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^{1,2,3}

Performance of 100 U.S. dollars invested since inception



Returns in U.S. dollars vs. benchmark^{1,2,3}

Fund (net of fees) %

Period	I (USD)	A (USD)	B (USD)	Index (USD)	AH (EUR)	Index (EUR)
One month	1.57	1.56	1.47	1.32	1.39	1.17
Last three months	2.10	1.99	1.74	1.95	1.47	1.52
YTD	7.24	6.85	5.97	7.25	5.26	5.94
One year	8.88	8.40	7.33	8.66	6.50	7.15
Three years (ann.)	3.41	2.93	1.91	4.51	1.88	3.67
Five years (ann.)	5.69	5.20	4.15	6.48	4.46	5.91
Ten years (ann.)	2.94	2.45	1.44	3.86	-	-
Since inception (ann.)	4.51	n/a	n/a	5.98	6.35	-

% 12 month returns

31.10.16 - 31.10.17	8.88	8.40	7.33	8.66	6.50	7.15
31.10.15 - 31.10.16	(1.23)	(1.68)	(2.69)	(1.02)	(2.82)	(1.94)
31.10.14 - 31.10.15	2.82	2.32	1.32	6.15	2.18	6.02
31.10.13 - 31.10.14	3.74	3.28	2.23	4.83	3.17	4.83
31.10.12 - 31.10.13	14.98	14.41	13.24	14.38	14.00	14.13

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 Convertible Bond - Global, USD Hedged
Out of 96 Funds. Based on Risk Adjusted Return.

Fund facts

Fund launch	July 2002
Investment team	Christian Roth, Tom Wills, Mikhael Breiterman-Loader
Location	New York
Base currency	U.S. dollars
Benchmark	Thomson Reuters Convertible Global Focus (USD Hedged) Index
Total assets	\$ 523.8 million
NAV Class I	\$ 49.05

Portfolio characteristics

	Fund	Index
Duration	3.37	3.25
Delta (equity sensitivity)	43.30	41.10
Current Yield	0.90	0.83
Conversion Premium	33.31	27.94

Top 10 holdings (% of Total Net Assets)

	Fund
Dish Network Corp, 2.375000%, 2024-03-15	2.50
Steinhoff Finance Holding GmbH, 1.250000%, 2022-08-11	2.28
Microchip Technology Inc, 1.625000%, 2027-02-15	2.27
Tesla Motors Inc, 1.250000%, 2021-03-01	2.00
America Movil Sab de Cv, 0.000000%, 2020-05-28	1.86
Ctrip.com International Ltd, 1.000000%, 2020-07-01	1.57
Siemens Financieringsmaatschappij, 1.650000%, 2019-08-16	1.24
On Semiconductor Corp, 1.000000%, 2020-12-01	1.16
Nuance Communications Inc, 1.000000%, 2035-12-15	1.16
Illumina Inc, 0.000000%, 2019-06-15	1.15

Total **17.19**

Sector distribution (% of Total Net Assets)

	Fund
Information Technology	19.53
Consumer Discretionary	17.34
Industrials	11.55
Health Care	8.22
Materials	7.48
Financials	5.71
Energy	5.49
Utilities	5.38
Real Estate	5.22
Telecommunication Services	5.11
Other	2.87
Cash & Equivalents	6.10
Total	100.00

Regional exposure (% of Total Net Assets)

	Fund
EMEA	35.67
Americas	32.21
Asia & Other	26.02
Cash & Equivalents	6.10
Total	100.00

Statistics (Class I shares)

	Fund
Alpha	(1.11)
Beta	1.10
R squared	0.93
Information ratio	(0.64)
Tracking error	1.73
Fund volatility (Standard deviation)	6.37
Index volatility (Standard deviation)	5.58

Based on monthly observations, annualised over last 3 years.

Charges

	Z	I	A	AH (EUR)	B
Ongoing charges % ⁴	0.75	0.79	1.24	1.28	2.24
Management Fee %	0.60	0.60	1.00	1.00	1.00

Share Class	CCY	ISIN	Bloomberg	Launch
A	USD	LU0149084633	MORSCUA LX	17.07.2002
AH (CHF)	CHF	LU0856053482	MSGCAHC LX	19.11.2012
AH (EUR)	EUR	LU0410168768	MMSGCAH LX	20.03.2009
B	USD	LU0149084989	MORSCUB LX	17.07.2002
BH (EUR)	EUR	LU0410168842	MMSGCBH LX	20.03.2009
CH (EUR)	EUR	LU0410168925	MMSGCCH LX	20.03.2009
I	USD	LU0149084476	MORSCUI LX	17.07.2002
IH (EUR)	EUR	LU0410169063	MMSGCZX LX	20.03.2009
NH	CHF	LU1077972898	MGCNHCH LX	16.07.2014
Z	USD	LU0360484413	MSGCVBZ LX	06.08.2010
ZH (EUR)	EUR	LU0360484504	MSGCUZH LX	08.04.2009
ZH (GBP)	GBP	LU1598064217	MSGCZHG LX	20.04.2017
ZHX (EUR)	EUR	LU0410169147	MMSGZHX LX	20.03.2009
ZX	USD	LU0360613086	MSGCUZX LX	02.07.2013

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 Merrill Lynch G300 Global Convertible Index Local Currency to 31 October 2005, the BofA Merrill Lynch G300 Global Convertible Index USD Hedged to 30 April 2011 and the Thomas Reuters Convertible Global Focus (USD Hedged) Index thereafter. The benchmark is calculated by geometrically chain-linking the monthly returns.

³ For performance purposes, if the time period being examined commences before the Global Bond Fund AH Share Class was launched, then the return is a blend of the Global Convertible Bond (Euro) Fund Class A to 19 March 2009 and the Global Bond Fund Class AH thereafter. This has been achieved by chain linking the respective share classes.

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.

Morningstar

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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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