

Morgan Stanley Investment Funds

Asian Equity Fund

Investment objective

Seeks long-term capital appreciation, measured in U.S. dollars, through investment primarily in the equity securities of companies, for the avoidance of doubt including Real Estate Investment Trusts (REITs), domiciled in or exercising the predominant part of their economic activity in Asia, excluding Japan, thereby taking advantage of the dynamic economic growth capabilities of the region.

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}

Performance of 100 U.S. dollars invested since inception



Returns in U.S. dollars vs. benchmark¹

Fund (net of fees) %

Period	I	A	B	Index
One month	5.36	5.30	5.21	4.85
Last three months	8.24	8.05	7.79	6.21
YTD	6.83	6.39	5.77	7.81
One year	(2.19)	(2.88)	(3.87)	(0.70)
Three years (annualised)	1.55	0.81	(0.19)	2.62
Five years (annualised)	(0.34)	(1.07)	(2.06)	0.87
Ten years (annualised)	5.11	4.35	3.30	6.13
Since inception (annualised)	6.63	n/a	n/a	6.91

% 12 month returns

31.07.15 - 31.07.16	(2.19)	(2.88)	(3.87)	(0.70)
31.07.14 - 31.07.15	(5.53)	(6.21)	(7.13)	-
31.07.13 - 31.07.14	13.32	12.48	11.38	-
31.07.12 - 31.07.13	7.89	7.10	6.02	-
31.07.11 - 31.07.12	(12.99)	(13.63)	(14.52)	-

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



Asia ex Japan Equity

Out of 603 Funds. Based on Risk Adjusted Return.

Fund facts

Fund launch	October 1991
Investment team³	Munib Madni, Sam Rhee
Location	Singapore
Base currency	U.S. dollars
Benchmark²	Blended Index
Total assets	\$ 274.0 million
NAV Class I	\$ 49.12

Portfolio characteristics	Fund	Index
P/CF	7.79	6.48
P/BV	1.98	1.45
P/E	13.68	12.75
Yield	2.15	2.59
Number of holdings	103	623

Top 10 holdings (% of Total Net Assets)	Fund	Index
Tencent Holdings Ltd	6.75	4.08
Samsung Electronics Co. Ltd	6.00	0.62
Taiwan Semiconductor Mfg Co. Ltd	3.82	4.01
China Mobile Ltd	3.65	2.28
Aia Group Ltd	2.76	2.24
China Construction Bank Corp	2.56	1.70
Ck Hutchison Holdings Ltd	2.42	0.95
Bank of China Ltd	1.91	0.98
Alibaba Group Holding Ltd	1.86	2.46
Naver Corp	1.78	0.53
Total	33.51	-

Geographic distribution (% of Total Net Assets)

	Fund	Index
China	25.14	30.25
South Korea	18.39	17.48
Taiwan	14.83	14.05
India	13.20	9.95
Hong Kong	10.40	11.78
Indonesia	4.89	3.31
Philippines	3.53	1.79
Singapore	2.79	4.96
Thailand	1.74	2.71
Other	0.82	-
Cash & equivalents	4.27	-
Total	100.00	-

Statistics (Class I shares)

	Fund	Index
Alpha	(1.07)	-
Beta	0.89	1.00
R squared	0.92	1.00
Information ratio	(0.25)	-
Tracking error	4.36	-
Fund volatility (Standard deviation)	14.61	15.78
Based on monthly observations, annualised over last 3 years.		

Charges

	Z	I	A	B
Ongoing charges % ⁴	0.99	1.03	1.75	2.75
Management Fee %	0.75	0.75	1.40	1.40

Share Class	CCY	ISIN	Bloomberg	Launch
A	USD	LU0073229253	MORASEI LX	01.02.1997
B	USD	LU0073229410	MORASEB LX	01.07.1997
I	USD	LU0034260769	MORIASE LX	01.10.1991
N	USD	LU0365480960	MSASEQN LX	03.01.2011
Z	USD	LU0360480692	MSASEQZ LX	24.06.2008

Footnotes

Publication date: 15 August 2016.

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

² The benchmark for the Fund is a blend of the MSCI AC Far East Free Ex-Japan Index (Gross Returns) from inception to 31 December 2000, the MSCI AC Far East Free Ex-Japan Index (Net Returns) to 29 February 2016 and the MSCI AC Asia ex Japan Index (Net Returns) thereafter. The benchmark is calculated by geometrically chain-linking the monthly returns.

³ Munib Madni and Sam Rhee started to manage the fund in January 2013.

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.

This fund received a compensation payment in connection with Prudential Equity Group's settlement with the U.S. SEC relating to market timing charges. Consequently, the net cash injection received in March 2010 and the related withholding tax, accrued in September 2010 and received in August 2011, have enhanced the fund's performance by 72bps and 33bps, respectively.

Important information

This document has been prepared by Morgan Stanley Investment Management Limited ("MSIM") solely for informational purposes and does not seek to make any recommendation to buy or sell any particular security (including Shares in the Fund) or to adopt any specific investment strategy. MSIM has not authorised financial intermediaries to use and to distribute this document, unless such use and distribution is made in accordance with applicable law and regulation. Additionally, financial intermediaries are required to satisfy themselves that the information in this document and an investment in Shares of the Fund is suitable for any person to whom they provide this document in view of that person's circumstances and purpose. MSIM shall not be liable for, and accepts no liability for, the use or misuse of this document by any such financial intermediary. If such a person considers an investment in Shares of the Fund, she/he should always ensure that she/he has satisfied herself/himself that she/he has been properly advised by that financial intermediary about the suitability of an investment.

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.

This Financial Promotion has been issued and approved in the UK by Morgan Stanley Investment Management Limited, 25 Cabot Square, Canary Wharf, London E14 4QA, authorised and regulated by the Financial Conduct Authority.

This publication is disseminated in Australia by Morgan Stanley Investment Management (Australia) Pty Limited ACN: 122040037, A.F.S.L. No. 314182, which accept responsibility for its contents. This publication, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act.

This document should not be considered to be the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor under section 304 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"), (ii) to a "relevant person" (which includes an accredited investor) pursuant to section 305 of the SFA, and such distribution is in accordance with the conditions specified in section 305 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. In particular, for investment funds that are not authorized or recognized by the MAS, units in such funds are not allowed to be offered to the retail public; any written material issued to persons as aforementioned in connection with an offer is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and investors should consider carefully whether the investment is suitable for them.

This document contains information relating to the sub-funds ("Funds") of Morgan Stanley Investment Funds, a Luxembourg domiciled Société d'Investissement à Capital Variable. Morgan Stanley Investment Funds (the "Company") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part 1 of the Law of 17th December 2010, as amended. The Company is an Undertaking for Collective Investment in Transferable Securities ("UCITS").

This communication is only intended for and will only be distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations. In particular, the Shares are not for distribution in the United States or to US persons.

If you are a distributor of the Morgan Stanley Investment Funds, some or all of the funds, or Shares in individual funds, may be available for distribution. Please refer to your sub-distribution agreement, for these details before forwarding fund information to your clients.

Applications for shares in Morgan Stanley Investment Funds should not be made without first consulting the current Prospectus, Key Investor Information Document, Annual Report and Semi-Annual Report ('Offering Documents'), or other documents available in your local jurisdiction, which are 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, 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.

Morningstar

Ratings: Morningstar, Inc. is an independent publisher of mutual fund research and ratings. Ratings reflect a fund's risk-adjusted 3-, 5-, and 10-year total returns, including any sales charge. A Fund is rated against all other funds in its category. Overall Rating for a fund is derived from a weighted average of the ratings for the time periods indicated. 5 stars are assigned to the top 10%; 4 stars to the next 22.5%; 3 stars to the next 35%; 2 stars to the next 22.5%; and 1 star to the bottom 10%. Morningstar only rates funds with at least a 3-year history.

Morningstar counts each share class as a separate fund for purposes of its ranking and ratings calculations. Morningstar compares mutual funds within a universe of funds with similar investment objectives, including dividend reinvestment. Past performance is no guarantee of future results. Morningstar rankings and ratings may vary for other share classes. © 2016 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.