

Morgan Stanley Investment Funds

Global Mortgage Securities Fund

Investment objective

Seeks to provide an attractive rate of total return, measured in U.S. dollars, through investment primarily in fixed income securities that are mortgage-backed securities, commercial mortgage-backed securities, collateralized mortgage obligations and covered bonds that are covered by mortgages (mortgage backed securities).

Share Class Z Risk and Reward profile

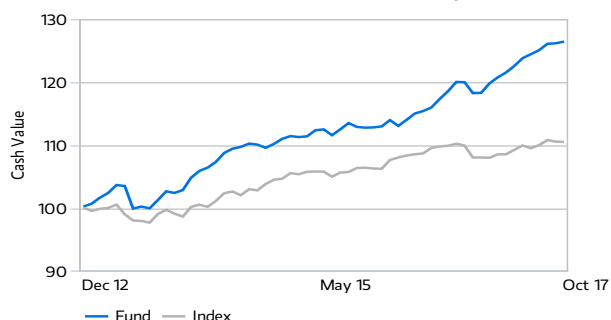


The higher the category (1 - 7), the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk-free investment.

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	0.22	0.16	0.07	(0.03)
Last three months	1.09	0.95	0.69	0.47
YTD	6.86	6.34	5.46	2.29
One year	5.37	4.74	3.69	0.53
Three years (annualised)	4.88	4.26	3.21	2.10
Since inception (annualised)	4.89	n/a	n/a	2.06

% 12 month returns

31.10.16 - 31.10.17	5.37	4.74	3.69	0.53
31.10.15 - 31.10.16	6.38	5.74	4.69	3.27
31.10.14 - 31.10.15	2.92	2.33	1.28	2.50
31.10.13 - 31.10.14	6.70	6.03	4.94	4.08

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 2012
Investment team	Greg Finck, Neil Stone
Location	New York
Base currency	U.S. dollars
Benchmark²	Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index
Total assets	\$ 769.4 million
NAV Class Z	\$ 31.61

Portfolio characteristics

	Fund	Index
Duration	3.58	4.62
Average Quality	A-	AAA/AA1
Average yield to maturity	4.20	2.38

Sector distribution (% of Total Net Assets)

	Fund
US Agency Passthroughs	22.32
US Agency CMOs	2.67
US Non-Agency RMBS	24.25
Non-US RMBS	25.94
US Agency CMBS	1.22
US Non-Agency CMBS	11.44
Non-US CMBS	1.35
US ABS	8.71
Non-US ABS	2.99
Cash / FX	(0.86)
Total	100.00

Quality distribution (% of Total Net Assets)³

	Fund
AAA	33.74
AA	4.91
A	12.11
BBB	11.14
BB	9.96
B	6.35
CCC	4.03
CC	2.00
C	0.15
D	0.09
Not Rated	16.38
Cash	(0.86)
Total	100.00

Geographic distribution (% of Total Net Assets)

	Fund
U.S.	70.59
United Kingdom	17.57
Netherlands	3.89
Spain	3.75
Portugal	1.00
Germany	0.83
Greece	0.69
Multinational	0.57
Italy	0.44
Other	1.67
Cash & Equivalents	(1.00)
Total	100.00

Statistics (Class Z shares)

	Fund
Alpha	2.78
Beta	0.67
R squared	0.32
Information ratio	1.49
Tracking error	1.87
Fund volatility (Standard deviation)	2.14
Index volatility (Standard deviation)	1.79

Based on monthly observations, annualised over last 3 years.

Charges

	Z	A	B
Ongoing charges % ⁴	0.65	1.24	2.24
Management Fee %	0.50	1.00	1.00

Share Class	CCY	ISIN	Bloomberg	Launch
A	USD	LU0858068074	MSGMSCA LX	03.12.2012
AH (EUR)	EUR	LU0858068660	MSGMSAH LX	03.12.2012
AH (GBP)	GBP	LU1628790146	MSGMAHG LX	26.06.2017
AH (SEK)	SEK	LU1610904259	MSGMAHS LX	06.06.2017
AR	USD	LU0960658093	MSGMSAR LX	11.10.2017
B	USD	LU0858081689	MSGMSCB LX	03.12.2012
BH (EUR)	EUR	LU0858081929	MSGMSBH LX	03.12.2012
BHR (EUR)	EUR	LU0857971310	MSGMBHR LX	03.12.2012
BHX (EUR)	EUR	LU0858082067	MSGMBHX LX	03.12.2012
C	USD	LU0858081846	MSGMSCC LX	03.12.2012
CH (EUR)	EUR	LU0858082224	MSGMSCH LX	03.12.2012
CHX (EUR)	EUR	LU0858082497	MSGMCHX LX	03.12.2012
CX	USD	LU0885077387	MSGMSCX LX	01.02.2013
I	USD	LU0858068231	MSGMSCI LX	03.12.2012
IH (EUR)	EUR	LU0905737051	MSGMSIH LX	25.04.2013
IHX (EUR)	EUR	LU0905733811	MSGMIHX LX	25.04.2013
Z	USD	LU0858068314	MSGMSCZ LX	03.12.2012
ZH (EUR)	EUR	LU0908572075	MSGMSZH LX	15.04.2013
ZH (SEK)	SEK	LU1610904333	MSGMZHS LX	19.05.2017

Footnotes

Publication date: 16 November 2017.

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

² The benchmark name changed from Barclays U.S. Mortgage Backed Securities (MBS) Index to Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) 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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