Morgan Stanley Investment Funds
Emerging Markets Debt Fund

Investment objective
Seeks to maximise total return, measured in U.S. dollars, through investment in the debt securities of government and government-related issuers located in emerging countries.

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.

Class I shares vs. benchmark 1
Performance of 100 U.S. dollars invested since inception

Returns in U.S. dollars vs. benchmark 1
Fund (net of fees) %

<table>
<thead>
<tr>
<th>Period</th>
<th>I (USD)</th>
<th>A (USD)</th>
<th>B (USD)</th>
<th>Index (USD)</th>
<th>AH (EUR)</th>
<th>Index (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One month</td>
<td>2.07</td>
<td>2.02</td>
<td>1.93</td>
<td>2.02</td>
<td>1.97</td>
<td>1.95</td>
</tr>
<tr>
<td>Last three months</td>
<td>1.87</td>
<td>(2.00)</td>
<td>(2.26)</td>
<td>0.29</td>
<td>(2.21)</td>
<td>0.08</td>
</tr>
<tr>
<td>YTD</td>
<td>0.42</td>
<td>0.34</td>
<td>0.16</td>
<td>1.82</td>
<td>0.22</td>
<td>1.67</td>
</tr>
<tr>
<td>One year</td>
<td>(2.82)</td>
<td>(3.37)</td>
<td>(4.35)</td>
<td>1.45</td>
<td>(3.86)</td>
<td>0.89</td>
</tr>
<tr>
<td>Three years (ann.)</td>
<td>(2.23)</td>
<td>(2.79)</td>
<td>(3.76)</td>
<td>1.06</td>
<td>(3.08)</td>
<td>0.61</td>
</tr>
<tr>
<td>Five years (ann.)</td>
<td>3.38</td>
<td>2.79</td>
<td>1.77</td>
<td>5.54</td>
<td>2.55</td>
<td>5.14</td>
</tr>
<tr>
<td>Ten years (ann.)</td>
<td>4.94</td>
<td>4.33</td>
<td>3.30</td>
<td>6.55</td>
<td>-</td>
<td>5.75</td>
</tr>
<tr>
<td>Since inception (ann.)</td>
<td>10.69</td>
<td>n/a</td>
<td>n/a</td>
<td>11.16</td>
<td>3.41</td>
<td>5.87</td>
</tr>
</tbody>
</table>

% 12 month returns
28.02.15 - 29.02.16  (2.82) (3.37) (4.35) 1.45 (3.86) 0.89
28.02.14 - 28.02.15  2.14  1.57  0.56  4.91  1.47  4.54
29.02.12 - 28.02.13  10.29  9.65  8.56  11.38  9.22  10.84

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
★★★
Global Emerging Markets Bond
Out of 633 Funds. Based on Risk Adjusted Return.

Fund facts
Fund launch April 1995
Investment team Eric Baurmeister, Jens Nystedt, Warren Mar, Sahil Tandon
Location New York
Base currency U.S. dollars
Benchmark JP Morgan Emerging Markets Bond Index Global
Total assets $ 214.8 million
NAV Class I $ 83.42

Portfolio characteristics Fund Index
Interest Rate Duration 6.59 6.62
Average yield to maturity 7.35 6.47
Number of holdings 120 507

Asset breakdown
% Sovereign 54.86
Quasi-Sovereign 34.13
Corporates 10.92
Cash & equivalents 0.09
Total 100.00

Geographic distribution
% Mexico 12.81
Indonesia 9.57
Russia 7.49
Turkey 5.81
Venezuela 5.15
Brazil 4.84
China 4.13
Chile 3.75
Hungary 3.72
Other 42.50
Cash & equivalents 0.25
Total 100.00

Quality distribution 3
% AA 4.13
A 6.89
BBB 48.66
BB 22.89
B 10.24
CCC 6.87
Not Rated 0.09
Cash 0.25
Total 100.00
Statistics (Class I shares) %

<table>
<thead>
<tr>
<th>Alpha</th>
<th>Beta</th>
<th>R squared</th>
<th>Information ratio</th>
<th>Tracking error</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2.29</td>
<td>1.12</td>
<td>0.71</td>
<td>0.27</td>
<td>2.60</td>
</tr>
</tbody>
</table>

Benchmark is JPM Emerging Markets Bond Index Global Euro Hedged.
Publication date: 16 March 2016.

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 any 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 is suitable for and available to the 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 full amount invested.

Morgan Stanley Investment Funds
Emerging Markets Debt Fund

Footnotes
Publication date: 16 March 2016.
1 See the “Share Class” section for inception date(s).
2 Benchmark is JPM Emerging Markets Bond Index Global Euro Hedged.
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.

Charges Z | I | A | AH (EUR) | B
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing charges %</td>
<td>1.09</td>
<td>1.13</td>
<td>1.70</td>
<td>1.74</td>
</tr>
<tr>
<td>Management Fee %</td>
<td>0.90</td>
<td>0.90</td>
<td>1.40</td>
<td>1.40</td>
</tr>
</tbody>
</table>

Share Class CCY ISIN Bloomberg Launch
A | USD | LU0073230004 | MOREDPLX | 01.02.1997 |
AH (EUR) | EUR | LU0266192049 | MOREDAHLX | 31.10.2006 |
AHX (EUR) | EUR | LU0691071764 | MSEEKAHLX | 03.11.2011 |
ARM | USD | LU0749490537 | MSEMARM | 20.03.2012 |
AX | USD | LU0239678807 | MOREDAX | 31.01.2006 |
B | USD | LU0073230343 | MOREDBLX | 01.07.1997 |
BH (EUR) | EUR | LU0341474269 | MOREDBHLX | 05.10.2010 |
BH-X (EUR) | EUR | LU0691071921 | MSEEKBHX | 03.11.2011 |
BX | USD | LU0691071848 | MSEEKBBX | 03.11.2011 |
C | USD | LU0176158151 | MSEEBCBX | 29.07.2008 |
I | USD | LU005732697 | MORIEMDLX | 01.04.1995 |
Z | USD | LU0360479504 | MSEMOTDLX | 24.06.2008 |
ZH (EUR) | EUR | LU0360479669 | MOREDZHLX | 23.10.2009 |
ZH (GBP) | GBP | LU0497141811 | MORZGZHLX | 25.05.2010 |

Footnotes
1 See the “Share Class” section for inception date(s).
2 Benchmark is JPM Emerging Markets Bond Index Global Euro Hedged.
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.