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FACTSHEET | DATA AS OF SEPTEMBER 30, 2017

# 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.

Download the fund's Key Investor Information document for share class tailored risk ratings and warnings at: [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com)

## Class I shares vs. benchmark<sup>1</sup>

Performance of 100 U.S. dollars invested since inception



## Returns in U.S. dollars vs. benchmark<sup>1</sup>

Fund (net of fees) %

| Period                 | I (USD) | A (USD) | B (USD) | Index (USD) | AH (EUR) | Index <sup>2</sup> (EUR) |
|------------------------|---------|---------|---------|-------------|----------|--------------------------|
| One month              | 0.27    | 0.23    | 0.14    | (0.01)      | 0.06     | (0.17)                   |
| Last three months      | 2.52    | 2.38    | 2.14    | 2.38        | 1.87     | 1.91                     |
| YTD                    | 9.35    | 8.91    | 8.09    | 8.73        | 7.47     | 7.29                     |
| One year               | 4.67    | 4.10    | 3.06    | 4.15        | 2.32     | 2.10                     |
| Three years (ann.)     | 4.46    | 3.87    | 2.83    | 6.05        | 2.82     | 4.76                     |
| Five years (ann.)      | 2.76    | 2.17    | 1.15    | 4.32        | 1.45     | 3.42                     |
| Ten years (ann.)       | 5.69    | 5.07    | 4.03    | 7.28        | -        | 6.47                     |
| Since inception (ann.) | 10.81   | n/a     | n/a     | 11.13       | 4.34     | 6.29                     |

## % 12 month returns

|                     |        |        |        |        |        |        |
|---------------------|--------|--------|--------|--------|--------|--------|
| 30.09.16 - 30.09.17 | 4.67   | 4.10   | 3.06   | 4.15   | 2.32   | 2.10   |
| 30.09.15 - 30.09.16 | 17.73  | 17.05  | 15.88  | 16.82  | 15.81  | 15.51  |
| 30.09.14 - 30.09.15 | (7.51) | (8.04) | (8.95) | (1.96) | (8.26) | (2.50) |
| 30.09.13 - 30.09.14 | 6.57   | 5.96   | 4.91   | 8.28   | 5.85   | 8.02   |
| 30.09.12 - 30.09.13 | (5.69) | (6.24) | (7.17) | (4.34) | (6.62) | (4.75) |

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 Global Emerging Markets Bond  
Out of 771 Funds. Based on Risk Adjusted Return.

## Fund facts

|                        |  |
|------------------------|--|
| <b>Fund launch</b>     | April 1995                                   |
| <b>Investment team</b> | Eric Baurmeister, Warren Mar, Sahil Tandon   |
| <b>Location</b>        | New York                                     |
| <b>Base currency</b>   | U.S. dollars                                 |
| <b>Benchmark</b>       | JP Morgan Emerging Markets Bond Index Global |
| <b>Total assets</b>    | \$ 260.0 million                             |
| <b>NAV Class I</b>     | \$ 100.32                                    |

## Portfolio characteristics

|                           | Fund | Index |
|---------------------------|------|-------|
| Interest Rate Duration    | 6.65 | 6.92  |
| Average yield to maturity | 5.71 | 5.06  |
| Number of holdings        | 134  | 627   |

## Asset breakdown (% of Total Net Assets)

|                    | Fund          |
|--------------------|---------------|
| Sovereign          | 61.61         |
| Quasi-Sovereign    | 20.92         |
| Corporates         | 11.68         |
| Cash & Equivalents | 5.79          |
| <b>Total</b>       | <b>100.00</b> |

## Geographic distribution (% of Total Net Assets)

|                    | Fund          |
|--------------------|---------------|
| Mexico             | 13.64         |
| Indonesia          | 9.77          |
| Russia             | 8.00          |
| Argentina          | 7.92          |
| Brazil             | 5.82          |
| Turkey             | 4.84          |
| Ukraine            | 4.00          |
| China              | 3.38          |
| Venezuela          | 2.85          |
| Other              | 33.99         |
| Cash & Equivalents | 5.81          |
| <b>Total</b>       | <b>100.00</b> |

## Quality distribution (% of Total Net Assets)<sup>3</sup>

|              | Fund          |
|--------------|---------------|
| A            | 10.44         |
| BBB          | 40.65         |
| BB           | 19.70         |
| B            | 20.68         |
| CCC          | 3.73          |
| Not Rated    | 0.06          |
| Cash         | 4.75          |
| <b>Total</b> | <b>100.00</b> |

| Statistics (Class I shares)           | Fund   |
|---------------------------------------|--------|
| Alpha                                 | (1.60) |
| Beta                                  | 1.18   |
| R squared                             | 0.91   |
| Information ratio                     | (0.65) |
| Tracking error                        | 2.47   |
| Fund volatility (Standard deviation)  | 7.25   |
| Index volatility (Standard deviation) | 5.85   |

Based on monthly observations, annualised over last 3 years.

| Charges                        | Z    | I    | A    | AH (EUR) | B    |
|--------------------------------|------|------|------|----------|------|
| Ongoing charges % <sup>4</sup> | 1.05 | 1.09 | 1.64 | 1.68     | 2.64 |
| Management Fee %               | 0.90 | 0.90 | 1.40 | 1.40     | 1.40 |

| Share Class | CCY | ISIN         | Bloomberg  | Launch     |
|-------------|-----|--------------|------------|------------|
| A           | USD | LU0073230004 | MOREDPI LX | 01.02.1997 |
| AH (EUR)    | EUR | LU0266119204 | MOREDAH LX | 31.10.2006 |
| AHX (EUR)   | EUR | LU0691071764 | MSEKAHX LX | 03.11.2011 |
| ARM         | USD | LU0749490537 | MSEMARM LX | 20.03.2012 |
| AX          | USD | LU0239678807 | MOREDAX LX | 31.01.2006 |
| B           | USD | LU0073230343 | MOREDPA LX | 01.07.1997 |
| BH (EUR)    | EUR | LU0341474269 | MOREDBH LX | 05.10.2010 |
| BHX (EUR)   | EUR | LU0691071921 | MSEKBHX LX | 03.11.2011 |
| BX          | USD | LU0691071848 | MSEMKBX LX | 03.11.2011 |
| C           | USD | LU0176158151 | MSEMDBC LX | 29.07.2008 |
| I           | USD | LU0057132697 | MORIEMD LX | 01.04.1995 |
| Z           | USD | LU0360479504 | MSEMDTZ LX | 24.06.2008 |
| ZH (EUR)    | EUR | LU0360479769 | MOREDZH LX | 23.10.2009 |

#### Footnotes

Publication date: 16 October 2017.

<sup>1</sup> See the 'Share Class' section for inception date(s).

<sup>2</sup> Benchmark is JPM Emerging Markets Bond Index Global Euro Hedged.

<sup>3</sup> 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.

<sup>4</sup> 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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