

Morgan Stanley Investment Funds

European Property Fund

Investment objective

Seeks to provide long term capital appreciation, measured in euro, through investment in the equity securities of companies in the European real estate industry.

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. benchmark¹

Performance of 100 Euro invested since inception



Returns in Euro vs. benchmark¹

Fund (net of fees) %

Period	I	A	B	Index
One month	(0.41)	(0.50)	(0.57)	(0.15)
Last three months	(1.62)	(1.82)	(2.05)	0.55
YTD	3.23	2.78	2.18	5.53
One year	0.10	(0.61)	(1.61)	0.89
Three years (annualised)	7.15	6.38	5.33	8.81
Five years (annualised)	11.09	10.29	9.18	11.90
Ten years (annualised)	1.26	0.53	(0.49)	2.13
Since inception (annualised)	7.07	n/a	n/a	7.76

% 12 month returns

31.07.16 - 31.07.17	0.10	(0.61)	(1.61)	0.89
31.07.15 - 31.07.16	(4.54)	(5.23)	(6.17)	0.62
31.07.14 - 31.07.15	28.75	27.80	26.59	26.91
31.07.13 - 31.07.14	21.50	20.66	19.39	20.75
31.07.12 - 31.07.13	13.16	12.37	11.20	12.78

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 Property - Indirect Europe

Out of 142 Funds. Based on Risk Adjusted Return.

Fund facts

Fund launch	September 1997
Portfolio Managers	Ted Bigman, Sven van Kemenade, Michiel te Paske
Location	New York/Amsterdam
Base currency	Euro
Benchmark	GPR General Quoted Europe Net Index
Total assets	€ 224.1 million
NAV Class I	€ 38.94

Portfolio characteristics

Portfolio characteristics	Fund
Dividend Yield	3.25
Number of holdings	40

Top 10 holdings (% of Total Net Assets)

Top 10 holdings (% of Total Net Assets)	Fund
Unibail-Rodamco Se	7.51
Land Securites plc	6.90
British Land Co. Ltd	5.51
Klepierre	5.06
Gecina	5.01
Vonovia Se	4.76
Psp Swiss Property AG	3.94
Derwent London plc	3.32
Eurocommercial Properties NV	3.22
Merlin Properties Socimi S.A	3.17
Total	48.40

Geographic allocation (% of Total Net Assets)

Geographic allocation (% of Total Net Assets)	Fund
United Kingdom	30.10
France	25.50
Germany	9.53
Spain	5.71
Ireland	5.56
Sweden	5.47
Netherlands	3.95
Switzerland	3.94
Norway	3.38
Other	4.93
Cash & Equivalents	1.93
Total	100.00

Sector allocation (% of Total Net Assets)

Sector allocation (% of Total Net Assets)	Fund
Diversified	38.68
Retail	28.19
Office	18.51
Residential	11.97
Industrial	0.71
Cash & Equivalents	1.93
Total	100.00

Statistics (Class I shares)	Fund
Alpha	(1.66)
Beta	1.11
R squared	0.96
Information ratio	(0.46)
Tracking error	3.58
Fund volatility (Standard deviation)	16.13
Index volatility (Standard deviation)	14.29

Based on monthly observations, annualised over last 3 years.

Charges	Z	I	A	B
Ongoing charges % ²	0.90	0.94	1.64	2.64
Management Fee %	0.75	0.75	1.40	1.40

Share Class	CCY	ISIN	Bloomberg	Launch
A	EUR	LU0078113650	MOREPII LX	01.09.1997
AH (USD)	USD	LU1209887436	MSEPAHU LX	31.03.2015
AX	EUR	LU0988535968	MSEPRAX LX	04.11.2013
B	EUR	LU0078114898	MOREPBI LX	01.07.1998
I	EUR	LU0078115192	MORECPI LX	01.09.1997
IH (USD)	USD	LU1209887279	MSEPIHU LX	31.03.2015
Z	EUR	LU0360481740	MSTEPBZ LX	30.06.2008

Footnotes

Publication date: 16 August 2017.

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

² 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

Ratings: The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account sales loads. © 2017 Morningstar. 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. **Past performance is no guarantee of future results.**

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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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