

Morgan Stanley Investment Funds

Asian Property Fund

Important information

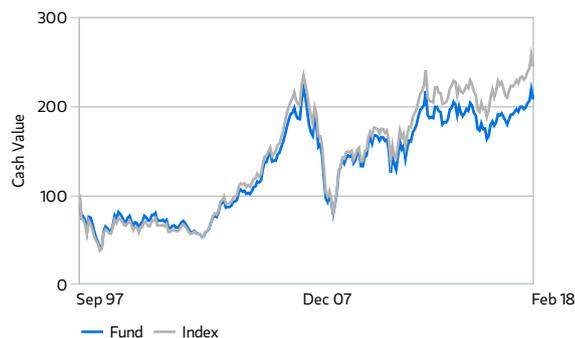
- The Fund invests primarily in the equity securities of companies in the Asian real estate industry.
- Investment involves risks. Key risks for this fund include Risk of Investment in the Real Estate Industry and REITs, Risk of Investment in Equity, Emerging Market Risk, Exchange Rate Risk and Risk of Exposure to the Euro and Eurozone.
- There is a risk that you may potentially lose your entire investment in this Fund.
- The investment decision is yours but you should not invest unless the intermediary who sells it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives. You should not make any investment decision solely based on this document. Please read the relevant offering document carefully for further fund details including risk factors.

Investment objective

Seeks long term capital appreciation, measured in U.S. dollars, through investment in the equity securities of companies in the real estate industry located throughout Asia and Oceania.

Class A shares vs. benchmark^{1,2}

Performance of 100 U.S. dollars invested since inception



Returns in U.S. dollars vs. benchmark^{1,2}

Fund (net of fees) %

Period	A	Index
One month	(5.29)	(5.04)
Last three months	2.01	2.34
YTD	0.87	0.88
One year	8.97	9.67
Three years (cumulative)	5.38	9.65
Five years (cumulative)	4.85	12.65
Ten years (cumulative)	21.60	28.30

% 12 month returns

31.12.16 - 31.12.17	14.64	15.56
31.12.15 - 31.12.16	2.63	5.61
31.12.14 - 31.12.15	(7.36)	(7.60)
31.12.13 - 31.12.14	(2.33)	0.08
31.12.12 - 31.12.13	2.49	4.32

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	September 1997
Portfolio Managers	Ted Bigman, Angeline Ho, Desmond Foong
Location	New York/Singapore
Base currency	U.S. dollars
Benchmark	FTSE EPRA/NAREIT Asian Real Estate Net Total Return Index
Total assets	\$ 119.1 million
NAV Class A	\$ 20.77

Portfolio characteristics

	Fund
Dividend Yield	3.23
Number of holdings	52

Top 10 holdings (% of Total Net Assets)

	Fund
Sun Hung Kai Properties Ltd	9.65
Mitsubishi Estate Co. Ltd	6.27
Mitsui Fudosan Co. Ltd	6.22
Link REIT	5.83
Hongkong Land Holdings Ltd	5.79
Ck Asset Holdings Ltd	4.54
Swire Properties Limited	4.39
Wharf Real Estate Investment	4.11
Westfield Group	3.75
Scentre Group	3.44
Total	53.99

Geographic allocation (% of Total Net Assets)

	Fund
Hong Kong	43.27
Japan	30.36
Australia	15.95
China	4.15
Singapore	3.72
Malta	0.03
Cash & Equivalents	2.51
Total	100.00

Sector allocation (% of Total Net Assets)

	Fund
Diversified	58.65
Retail	16.14
Office	13.39
Industrial	4.67
Residential	4.01
Lodging/Resorts	0.63
Cash & Equivalents	2.51
Total	100.00

Statistics (Class A shares)	Fund
Alpha	(1.36)
Beta	0.94
R squared	0.95
Information ratio	(0.50)
Tracking error	2.71
Fund volatility (Standard deviation)	11.93
Index volatility (Standard deviation)	12.37

Based on monthly observations, annualised over last 3 years.

Charges	A
Ongoing charges % ³	1.64
Management Fee %	1.40
Sales Charge %	5.75

Share Class ⁴	CCY	ISIN	Bloomberg	Launch
A	USD	LU0078112413	MORAPAI LX	01.09.1997
B	USD	LU0078112843	MORAPBI LX	01.07.1999
F	USD	LU1244751043	MSTAPFF LX	30.09.2015
I	USD	LU0078113064	MORAPRI LX	01.09.1997
IX	USD	LU0239678633	MORAPIX LX	31.01.2006
Z	USD	LU0360481310	MORAPRZ LX	05.08.2008

Footnotes

Publication date: 15 March 2018.

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

² The benchmark for the Fund is a blend of the GPR General Quoted Asia Net Index to 31 January 2009 and FTSE EPRA/NAREIT Asian Real Estate Net Total Return Index thereafter. The benchmark is calculated by geometrically chain-linking the monthly returns.

³ 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.

⁴ Only A and C share classes of the Fund are authorized by the Securities & Futures Commission of Hong Kong to be offered to the public in Hong Kong.

The fund is not authorised by the SFC under the Code on REITs, but is authorised under the Code on Unit Trusts and Mutual Funds. Such authorisation does not imply official approval or recommendation. Furthermore, please note that any underlying Real Estate Investment Trusts (REITs) of which the fund invests in may not necessarily be authorised by the SFC and the dividend policy/payout policy of the fund is not representative of the dividend policy/payout policy of the underlying REITs.

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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 Morgan Stanley liquidity funds.

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