

This statement provides you with key information about this product.

This statement is a part of the offering document.

You should not invest in this product based on this statement alone.

QUICK FACTS

Management Company	MSIM Fund Management (Ireland) Limited
Investment Manager (Investment Adviser)	Morgan Stanley Investment Management Limited located in the United Kingdom
Sub Adviser	Morgan Stanley Investment Management Inc. located in the United States of America (internal delegation)
Depository	J.P. Morgan SE, Luxembourg Branch
Ongoing Charges over a year (*)	Classes A, AX: 1.89% Classes AH, AHX: 1.92% Classes C, CX: 2.69% Classes CH, CHX: 2.72%
Dealing frequency	Daily, each Luxembourg Business Day
Dividend Policy	No dividends will be distributed (income/capital gains will be reinvested) for classes A, AH, C, CH. Dividends if any will be distributed semi annually for classes AHX, AX, CHX, CX.
Base currency	EUR
Financial year end of this sub-fund	31 December
Min. investment	No minimum initial and additional investment amounts

(*): The ongoing charges figure is based on the total expenses charged to each class of the sub-fund as at 31 December 2021, calculated net of any fee waivers and expressed as a percentage of average net assets for the year. This figure is based on the unaudited information derived from the audited financial statements for the year ended 31 December 2021 and may vary from year to year.

WHAT IS THIS PRODUCT ?

Morgan Stanley Investment Funds NextGen Emerging Markets Fund is a sub-fund of Morgan Stanley Investment Funds which is constituted in the form of a mutual fund. It is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier (CSSF).

OBJECTIVES AND INVESTMENT STRATEGY

Objective

Long term growth of your investment.

Strategy

At least 70% of the sub-fund's value will be invested in equity securities of "NextGen" issuers, including depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs)), "NextGen" issuers being defined as 1) issuers Located (as defined in the Prospectus) in emerging market countries, including frontier market countries, which are determined based on classification in the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index, or 2) issuers Located in upcoming developing markets outside the "mainstream" emerging markets, whose capital markets have traditionally been overlooked by foreign investors or are in early stages of capital market and/or economic development. These are countries that are not part of the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index, that the International Monetary Fund, the United Nations or the World Bank generally consider to be less economically mature than developed nations. The sub-fund may invest in the countries under 2) provided that the markets of these countries are considered to be recognised exchanges within the meaning of Article 41(1) of the 2010 Law.

The countries that fall within 1) or 2) of the definition of "NextGen" issuers above can include, among others, Albania, Algeria, Argentina, Bahrain, Bangladesh, Bolivia, Botswana, Brazil, Bulgaria, Chile, Colombia, Costa Rica, Cote d'Ivoire, Croatia, Czech Republic, Dominican Republic, Ecuador, Egypt, Estonia, Ethiopia, Georgia, Ghana, Greece, Guatemala, Guinea, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Laos, Latvia, Lebanon, Lithuania, Malaysia, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Namibia, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Poland, Philippines, Qatar, Romania, Russia, Rwanda, Saudi Arabia, Serbia, Senegal, Slovenia, Slovakia, South Africa, Sri Lanka, Tanzania, Trinidad & Tobago, Thailand, Turkey, Turkmenistan, Ukraine, United Arab Emirates, Uganda, Uruguay, Uzbekistan, Vietnam, and Zambia. The countries within the investment universe may change from time to time.

The sub-fund may invest up to 30% of its value in equity securities not meeting the criteria of the sub-fund's primary investments, debt securities convertible into common shares, preference shares, warrants, and other equity linked instruments. Investment in China A-Shares via Stock Connect may not exceed 20% of the sub-fund's net assets.

The Investment Adviser integrates the consideration of ESG criteria in its investment decision-making, including in the conduct of due diligence and research, investment valuation, asset selection, portfolio construction, and ongoing investment monitoring and portfolio management. In doing so, the Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or trim a security, commence active dialogue/engagement with company management, or make adjustments to the top-down allocations to geographies, sectors, or asset classes. In implementing its integration of Sustainability Risks, the Investment Adviser may utilize a combination of information sources, including company-disclosed information, non-company disclosed information, and third-party research and data.

The ESG focus of the sub-fund is to integrate ESG criteria considered by the Investment Adviser during both the investment and research process to select investments which limit exposure to Sustainability Risks. These criteria may include, but are not limited to carbon emissions, resource management, biodiversity, labour management, diversity (for example, board diversity), health & safety, product safety, data privacy & security, executive remuneration, board independence and shareholder rights. The sub-fund references third party ESG data during the security research process, but does not rely on third party ESG data for the purposes of constructing the portfolio.

The Investment Adviser focuses on engaging company management on what it deems to be materially important governance, environmental and/or social issues facing a company. The application of the above ESG criteria will result in a 20% or more reduction of the investible universe, as defined in the first three paragraphs above. The aim of the Investment Adviser will be to ensure that at least 90% of the sub-fund's portfolio is subject to the analysis of ESG criteria described above.

The sub-fund shall not knowingly include in its investments any company whose core business activity involve thermal coal mining, oil sands, Arctic oil and gas, tobacco, adult entertainment, gambling, and weapons related activity (civilian firearms, cluster munitions, weapons and landmines).

The Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented in the exclusion policy document, which will be available on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The exclusion criteria are subject to periodic review and any changes will be reflected in the exclusion policy document.

With a view to enhancing returns and/or as part of the investment strategy, the sub-fund may make use of exchange traded and over-the-counter options, futures and other derivatives for efficient portfolio management (including hedging) purposes. The sub-fund does not invest extensively or primarily in financial derivatives instruments for investment purposes.

The sub-fund may invest not more than 10% of its actually invested assets (net assets after deducting cash and cash equivalents) in units/shares of other collective investment schemes, including the sub-funds of Morgan Stanley Investment Funds and open-ended exchange traded funds which are eligible investments for undertakings for collective investment in transferable securities.

For the purpose of cash management, the sub-fund may hold cash and/or invest in cash equivalents such as money market instruments or money market funds, including those managed by the Investment Adviser, Sub Adviser or advisers affiliated either to the Investment Adviser or the Sub Adviser (please refer to the Prospectus for further details).

The sub-fund measures its performance against the MSCI Frontier Emerging Markets Index and seeks to achieve a lower carbon footprint than the MSCI Frontier Emerging Markets Index (based on available third party data). The sub-fund is actively managed and references the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index for the purpose of partially defining a geographical allocation of the countries the sub-fund may invest into. The Investment Adviser has full discretion over the composition of the assets of the sub-fund. While the sub-fund will mostly hold assets within the countries referenced in the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index and can invest in securities from such countries in different proportions, it may also hold assets which are not exposed to countries referenced in the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index. Hence, there are no restrictions on the extent to which the sub-fund's performance may deviate from the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index.

USE OF DERIVATIVES / INVESTMENT IN DERIVATIVES

The sub-fund's net derivative exposure may be up to 50% of the sub-fund's net asset value.

WHAT ARE THE KEY RISKS ?

Investment involves risks. Please refer to the offering document including the section headed "Risk Factors" for details including the risk factors.

1. Risk of Investment in Equity

Funds which invest in equity securities are subject to the volatility of the capital markets on which these securities are traded and may incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and catastrophic events. The value of shares may fall in value and decrease the value of your investment as a whole.

2. Emerging Market Risk

The sub-fund invests in emerging market economies, including frontier market countries, as well as upcoming developing markets outside the "mainstream" emerging markets. Investing in companies operating in emerging market economies or upcoming developing markets carries a higher level of risk as political, legal and operational systems may be less developed than developed markets.

3. ESG Investing Risk

- *Concentration risk:* The sub-fund incorporates the ESG criteria, which may cause it to be overweight and/or

underweight in certain sectors and thus to perform differently than funds that have a similar objective but which do not incorporate sustainability investment criteria when selecting securities.

- *Lack of standardised taxonomy:* There is a lack of standardised taxonomy of the ESG criteria evaluation methodology and the way in which different funds apply such ESG criteria may vary.
- *Exclusion risk:* The use of exclusions may affect the sub-fund's investment performance and, as such, the sub-fund may perform differently compared to similar funds that do not use such exclusions. Exclusion criteria used in the sub-fund's investment strategy may result in the sub-fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling certain securities when it might be disadvantageous to do so. As such, the use of exclusions may restrict the ability of the sub-fund to acquire or dispose of its investments at a price and time that it wishes to do so, and may therefore result in a loss to the sub-fund.
- *Reliance on third-party data:* There may be instances where data on specific issuers or the exclusions noted in the investment policy may not be available and/or may be estimated by the Investment Adviser using third-party data, which may be incomplete, inaccurate or unavailable. As a result, there is a risk associated with the assessment of a security or issuer based on such data.

4. Exchange Rate Risk

The value of your investment will be impacted by changes in the currency exchange rates between the sub-fund's base currency (Euro) and the currencies in which the underlying securities are denominated.

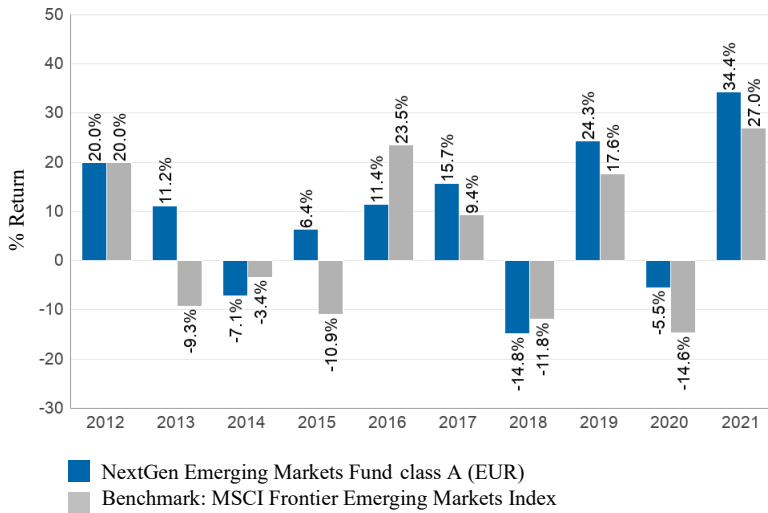
5. Exposure to the Euro and the Eurozone

The Eurozone is an economic and monetary union of 19 European member states that have adopted the Euro as their common currency and sole legal tender. The success of the Euro and the Eurozone is therefore dependent on the general economic and political condition of each member state, as well as each state's credit worthiness and the willingness of the members to remain committed to monetary union and support for the other members. Currently, there are widely held concerns in the market regarding the credit risk associated with certain sovereigns, including some member states of the Eurozone, and the continued viability of the Eurozone.

Default by any state on its Euro debts or a material decline in the credit rating of any Eurozone state could have a material negative impact on the Company and its investments. A number of the sub-funds of the Company may operate in Euro and/or may hold Euro denominated assets either directly or as collateral. In addition, the Company's counterparties, banks, custodians and service providers may have direct or indirect exposure to these countries or currency and a default or credit decline could impact their ability to meet their obligations to and/or perform services for the Company. In the event of one or more member states exiting the Eurozone, or the abandonment of the Euro entirely, there may be material negative impact on some or all sub-funds of the Company and the value of investments, including risk of redenomination from Euro into another currency, possible capital controls and legal uncertainty as to the ability to enforce obligations and debts.

Prospective shareholders should inform themselves as to the risks surrounding the Eurozone crisis and the associated risk of an investment in the Company, taking into account the uncertainty as to how the Eurozone crisis and more general global economic situation will continue to evolve.

HOW HAS THE FUND PERFORMED ?



Past performance information is not indicative of future performance. As a result of a change in investment strategy as of 16 May 2022, the performance of the sub-fund prior to such date was achieved under circumstances which no longer apply. Investors may not get back the full amount invested.

The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.

These figures show by how much the sub-fund increased or decreased in value during the calendar year being shown.

The sub-fund was launched in 2000.

This share class was launched in 2000.

Performance data has been calculated in EUR including ongoing charges and excluding subscription fee and redemption fee you might have to pay.

The sub-fund measures its performance against the MSCI Frontier Emerging Markets Index.

IS THERE ANY GUARANTEE ?

This sub-fund does not have any guarantees. You may not get back the full amount of money you invest.

WHAT ARE THE FEES AND CHARGES ?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the sub-fund.

Fee	What you pay
Subscription Fee (Sales Charge)	Up to 5.75% of the amount you buy for classes A, AH, AHX, AX. Up to 3% for classes C, CH, CHX, CX.
Switching Fee (Conversion Fee)	Usually nil, but up to 2% of the conversion value where the Management Company determine the trading activity of the investor has adversely affected other shareholders.
Redemption Fee	Usually nil, but up to 2% of the redemption value where the Management Company determine the trading activity of the investor has adversely affected other shareholders.
Contingent Deferred Sales Charges	Nil for classes A, AH, AHX, AX. Up to 1% of the amount redeemed, if the redemption is within 365 days of the date of subscription for classes C, CH, CHX, CX.

Ongoing fees payable by the Fund

The following expenses will be paid out of the sub-fund. They affect you because they reduce the return you get on your investments.

	Annual Rate
Management Fee	1.60% of the average daily net assets for classes A, AH, AHX, AX. 2.40% of the average daily net assets for classes C, CH, CHX, CX.
Depository Fee	In addition to the Depository Fee being paid out of the Administration Charge, the Sub-Fund will separately pay additional emerging market custody fees of 0.05% of the average daily net assets applicable to investments in emerging markets, as set out in the Prospectus.
Performance Fee	Not applicable
Administration Charge	Currently 0.19% of the average daily net assets, which is capped at the maximum annual rate of 0.25% as set out in the Prospectus.

All fees and charges will remain in force for an unlimited period, and may be changed by the Management Company as set out in the Prospectus subject to obtaining the prior approval of the Securities and Futures Commission and provision of one month's prior notice to investors where there is an increase in fees and charges.

Other fees

You may have to pay other fees when dealing in the shares of the sub-fund.

ADDITIONAL INFORMATION

- You generally buy and redeem shares of the sub-fund at the sub-fund's next-determined net asset value (NAV) after the transfer agent receives your request in good order on or before 1pm (Central European Time) on the relevant dealing day. The distributors may impose earlier cut-off deadlines.
- If the sub-fund or a class of shares of the sub-fund is being held by investors of Hong Kong, the net asset value per share of the sub-fund is calculated and published daily on www.morganstanleyinvestmentfunds.com in EUR.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from www.morganstanleyinvestmentfunds.com.

IMPORTANT

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.