

# Morgan Stanley Investment Funds

## Short Maturity Euro Bond Fund

### Investment objective

Seeks to provide an attractive rate of relative return, measured in euro, through investment primarily in high quality issues of euro denominated fixed income securities, whether issued by corporations, government or government guaranteed issuers. The Fund will invest primarily, in order to reduce volatility, in individual securities with maturity dates having a maximum of five years.

### Share Class I Risk and Reward profile

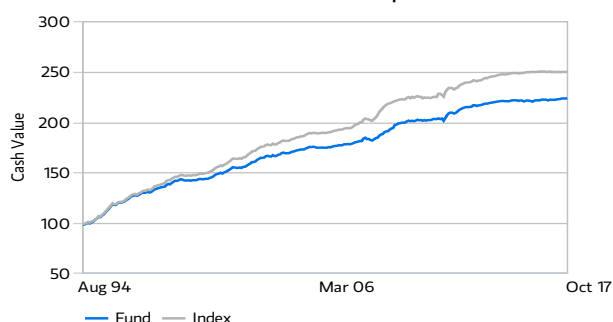


The higher the category (1 - 7), the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk-free investment.

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>1,3</sup>

#### Performance of 100 Euro invested since inception



### Returns in Euro vs. benchmark<sup>1,3</sup>

#### Fund (net of fees) %

Period	I	A	B	Index
One month	0.13	0.10	0.00	0.10
Last three months	0.09	(0.05)	(0.24)	0.10
YTD	0.63	0.29	(0.53)	(0.11)
One year	0.63	0.20	(0.76)	0.10
Three years (annualised)	0.44	0.02	(0.97)	0.39
Five years (annualised)	0.90	0.48	(0.51)	1.00
Ten years (annualised)	2.15	1.71	0.70	2.34
Since inception (annualised)	3.52	n/a	n/a	4.02

#### % 12 month returns

31.10.16 - 31.10.17	0.63	0.20	(0.76)	0.10
31.10.15 - 31.10.16	0.54	0.10	(0.87)	0.21
31.10.14 - 31.10.15	0.14	(0.24)	(1.26)	0.85
31.10.13 - 31.10.14	1.28	0.84	(0.17)	1.66
31.10.12 - 31.10.13	1.92	1.50	0.52	2.20

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 EUR Diversified Bond - Short Term  
Out of 495 Funds. Based on Risk Adjusted Return.

### Fund facts

<b>Fund launch</b>	August 1994
<b>Investment team</b>	Richard Ford, Richard Class
<b>Location</b>	London
<b>Base currency</b>	Euro
<b>Benchmark<sup>2</sup></b>	Bloomberg Barclays Euro-Aggregate: Treasury 1-3 Years Index
<b>Total assets</b>	€ 2.2 billion
<b>NAV Class I</b>	€ 22.36

### Portfolio characteristics

	Fund	Index
Duration	1.21	1.99
Average yield to maturity	0.21	(0.49)
Number of holdings	190	75

### Geographic distribution (% of Total Net Assets)

	Fund
Italy	19.61
Spain	15.56
France	7.64
United Kingdom	7.24
Germany	5.90
United States	4.03
China	3.98
Australia	3.83
Netherlands	3.47
Other	22.19
Cash & Equivalents	6.53
<b>Total</b>	<b>100.00</b>

### Sector distribution (% of Total Net Assets)

	Fund
Government	42.18
Financial	33.35
Utilities	5.34
Energy	3.45
Consumer, Non-Cyclical	2.79
Industrial	1.85
Consumer, Cyclical	1.67
Basic Materials	1.50
Communications	0.76
Other	0.57
Cash & Equivalents	6.53
<b>Total</b>	<b>100.00</b>

Quality distribution (% of Total Net Assets) <sup>4</sup>	Fund
AAA	4.61
AA	13.88
A	25.02
BBB	49.70
BB	0.16
Not Rated	0.15
Cash	6.48
<b>Total</b>	<b>100.00</b>

Statistics (Class I shares)	Fund
Alpha	0.05
Beta	0.43
R squared	0.09
Information ratio	0.08
Tracking error	0.66
Fund volatility (Standard deviation)	0.64
Index volatility (Standard deviation)	0.43

Based on monthly observations, annualised over last 3 years.

Charges	Z	I	A	B
Ongoing charges % <sup>5</sup>	0.60	0.64	1.04	2.04
Management Fee %	0.45	0.45	0.80	0.80

Share Class	CCY	ISIN	Bloomberg	Launch
A	EUR	LU0073235904	MORSHMI LX	01.02.1997
AH (SEK)	SEK	LU1268548622	MSSMAHS LX	18.08.2015
B	EUR	LU0073236118	MORSHBI LX	01.10.1998
C	EUR	LU0176162005	MORSHEC LX	03.07.2009
I	EUR	LU0052620894	MORISME LX	01.08.1994
IH (USD)	USD	LU1038896269	MSSMEIH LX	03.03.2014
S	EUR	LU0390558053	MSSMESE LX	17.11.2016
Z	EUR	LU0360478795	MORSHMZ LX	11.06.2008

## Footnotes

Publication date: 16 November 2017.

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

<sup>2</sup> The benchmark name changed from Barclays Euro-Aggregate: Treasury 1-3 Years Index to Bloomberg Barclays Euro-Aggregate: Treasury 1-3 Years Index on 24th August 2016.

<sup>3</sup> The benchmark for the Fund is a blend of the MSCI EMU Sovereign Debt 1-3 Yrs Index to 30 April 2007 and Bloomberg Barclays Euro-Aggregate: Treasury 1-3 Yrs Index thereafter. The benchmark is calculated by geometrically chain-linking the monthly returns.

<sup>4</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>5</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

**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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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.

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