

Morgan Stanley Investment Funds

Emerging Europe, Middle East and Africa Equity Fund

30 April 2010

RETURNS IN EURO VS. MSCI EMERGING EUROPE, MIDDLE EAST AND AFRICA INDEX¹

Period	Fund (net of fees) %			Index
	Class I	Class A	Class B	
One month	4.60	4.55	4.45	1.72
Last three months	14.91	14.73	14.46	11.73
YTD 2010	16.53	16.30	15.93	14.59
One year	63.66	62.72	61.13	59.84
Three years (annualised)	(3.69)	(4.25)	(5.09)	0.18
Five years (annualised)	12.90	12.26	11.31	12.38
Since inception (annualised)	9.97	n/a	n/a	6.33

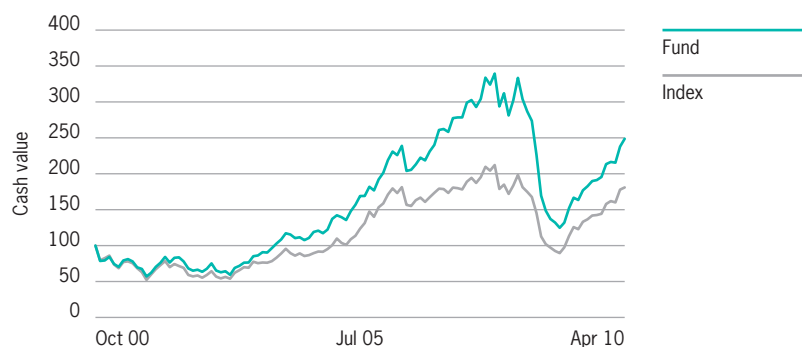
12 months to:

April 2010	63.66	62.72	61.13	59.84
April 2009	(49.71)	(50.01)	(50.38)	(38.33)
April 2008	8.53	7.91	6.93	2.00
April 2007	16.56	15.91	14.92	(0.77)
April 2006	76.14	75.20	73.92	79.64

Past performance is no indication of current or future performance. These performance data do not take account of commissions and costs incurred on the issue and redemption of units.

CLASS I SHARES VS. MSCI EMERGING EUROPE, MIDDLE EAST AND AFRICA INDEX²

Performance of 100 euro invested since inception



Facts and figures

Launch date	October 2000
Fund manager	Paul Psaila Eric Carlson
Location	New York
Base currency	euro
TER Class I ³	1.45%
TER Class A ³	2.06%
Total assets	€ 290.0 million
NAV Class I €	61.88

Statistics⁴

	Fund	Index
Alpha	(3.87)	-
Beta	1.06	-
R squared	0.96	-
Information ratio	(0.62)	-
Tracking error	6.26	-
Standard deviation	30.31	27.95
ISIN Class I	LU0118140184	
ISIN Class A	LU0118140002	
ISIN Class B	LU0118140697	
ISIN Class C	LU0176164126	
ISIN Class Z	LU0360482631	

Portfolio valuations

	Fund	Index
P/CF	11.30	9.44
P/BV	2.61	1.82
P/E	16.39	16.15
Yield	2.11	2.14
Number of holdings	57	150

Top 10 holdings

	%
MTN GROUP LTD	5.64
LUKOIL HOLDING	4.50
IMPALA PLATINUM HOLDINGS LTD	4.24
NASPERS LTD	4.19
PKO BANK POLSKI	3.72
SBERBANK RUSSIA COM	2.73
ROSENEFT OIL COMPANY	2.71
ANGLO PLATINUM LTD	2.66
RUSHYDRO	2.55
POLSKI KONCERN NAFTOWY ORLEN S.A.	2.41
Total	35.35

Geographic distribution

	%
South Africa	27.17
Russia	23.91
Poland	13.54
Turkey	13.41
Egypt	6.96
Hungary	4.93
Lebanon	3.97
Czech Republic	2.02
Israel	1.69
Cash & equivalents	2.40
Total	100.00

INVESTMENT OBJECTIVE

Seeks long-term capital appreciation, measured in euro, by investing primarily in equity securities of issuers in Central, Eastern and Southern Europe (including the Russian Federation), the Middle East and Africa.

INVESTMENT PROCESS

- Bottom-up stock picking focusing on fundamental research is combined with macroeconomic analysis which drives a top-down sector and country overlay.
- Stock picking process is based on three building blocks: equity research, quantitative analysis and risk management.
- Companies with the ability to generate strong earnings and free cash flow are sought.

Publication date: 17 May 2010.

On 18 April 2008, the fund name changed to the Emerging Europe, Middle East and Africa Equity Fund.

¹ Launch date of Class I, Class A & Class B shares was October 2000.

² Calculations are NAV to NAV. Performance of the Morgan Stanley Investment Funds is calculated net of fees.

³ Total expenses charged to share class open as at 31 December 2009, calculated net of any fee waivers and expressed as a percentage of average net assets for the twelve month period (or since inception if fund launched within this period).

⁴ Based on monthly observations over last 3 years.

Please note variances between fund and index performance figures may occur due to the price differences between the time the NAV is calculated and the time of the index close.

Please refer to back cover for important information and risk warnings paragraphs (1) relating to emerging country securities.

www.morganstanleyinvestmentfunds.com

Important information

For Exclusive Use of Professional Investors and Eligible Counterparties Only.

This document contains information relating to the sub-funds ('Funds') of Morgan Stanley Investment Funds, a Luxembourg Société d'Investissement à Capital Variable.

Applications for shares in Morgan Stanley Investment Funds should not be made without first consulting the current Prospectus, Annual Report and Semi-Annual Report ('Offering Documents'), which are available free of charge at the address below.

Registered Office: European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192.

Swiss investors are advised that the Simplified Prospectus, the Prospectus, the Articles of Incorporation of the Company, the audited Annual Reports and the unaudited Semi-Annual Reports may be obtained free of charge from the Representative Agent in normal business hours. Bank Morgan Stanley AG, Bahnhofstrasse 92, 8021 Zurich, is the representative and paying agent (the "Representative Agent") of the Company in Switzerland. The Morgan Stanley Investment Funds Fund is domiciled in Luxembourg.

Morgan Stanley Investment Funds is an Undertaking for Collective Investment in Transferable Securities ('UCITS') for the purpose of the Council Directive EEC/85/611, as amended by Directive 2001/107/EC and by Directive 2001/108/EC of the European Parliament and of the Council of 21 January 2002 ('UCITS Directive'). Morgan Stanley Investment Funds is an umbrella Société d'Investissement à Capital Variable authorised under Part 1 of the Law of 20 December 2002. The company is a self managed SICAV in accordance with article 27 of the law of 20 December 2002. Morgan Stanley Investment Management Limited will act as Distributor of the shares of each fund. Morgan Stanley Investment Management Limited is a Sub-Adviser to advise on such of the Funds as are agreed from time to time. Morgan Stanley Investment Management does not provide investment advice.

The Funds have been authorised for sale pursuant to the aforementioned Directive in Austria, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Sweden, Spain (CNMV No 149) and the UK. In addition, the Funds have been authorised for sale in Chile, Hong Kong, Norway, Peru, Singapore, Switzerland and Taiwan. In France, Morgan Stanley Investment Funds was granted 'recognised' status by the Autorité des marchés financiers (formerly the Commission des Opérations de Bourse) 29 December 1995. In Sweden, Morgan Stanley Investment Funds is registered with the Swedish Financial Supervisory Authority. In giving such authorisation, no regulatory authority in any of the above jurisdictions takes responsibility for the financial soundness of the Funds or for the correctness of any statements made or opinions expressed in this regard.

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The sources for all performance and index data are Morningstar and Morgan Stanley Investment Management Limited. Calculations are NAV to NAV. Performance is quoted net of investment management fees and with income reinvested. All Fund performance is shown since first full month after inception of Fund.

Risk warnings

Past performance is not necessarily a guide to future performance and the value of the Shares and income from them may fall as well as rise. On redemption of Shares, an investor may receive back an amount less than the original amount of his investment. The assets of the funds will be in a variety of currencies and therefore movements in the value of currencies may also affect the value of an investor's holdings. Furthermore, the value of Shares may be adversely affected by fluctuations in exchange rates between the investor's reference currencies and the base currencies of the Funds.

There are special risk considerations associated with investing in:

- 1) Emerging country securities; including (1) restrictions on foreign investment and on repatriation of capital (2) currency fluctuations, (3) potential price volatility and lesser liquidity of shares, (4) political and economic risks, including the risk of nationalisation or expropriation of assets and the risk of war (5) settlement systems may be less well organised and less developed and (6) debt may not be rated by any internationally recognised credit rating organisation.

There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In

addition, accounting, auditing, financial and other reporting standards are not equivalent to those of more developed countries, and therefore less information may be available than in more developed countries.

- 2) High yield securities; investment in higher yielding securities is speculative as it generally entails increased credit and market risks. Such securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk) and may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the credit worthiness of the issuer and general market liquidity.
- 3) Securities of small capitalisation companies; these securities involve greater risk than large capitalisation companies and the markets for such securities may be more volatile and less liquid.
- 4) Securities of companies engaged in the real estate industry; including the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zonal laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of the relevant Fund.
- 5) Investments in derivative instruments carries certain inherent risks such as the risk of counterparty default. Before investing you should ensure you fully understand these risks. Use of leverage may also magnify losses as well as gains to the extent that leverage is employed.

Please refer to the Prospectus for full disclosure of the individual Fund Investment Objectives.

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