

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Short Maturity Euro Bond Fund - I (ISIN: LU0052620894) a fund of Morgan Stanley Investment Funds.

OBJECTIVES AND INVESTMENT POLICY

Objective

- To generate income and the long term growth of your investment

Main Investments

- Fixed income securities (eg. bonds)

Investment Policy

- High quality bonds issued in Euro, with less than 5 years until the bond is fully repaid. Bonds are high quality if they are rated BBB- or better by S&P or Baa3 or better by Moody's. The fund may continue to hold bonds which have had their rating lowered but may not buy more.

Other Potential Investments

- Derivatives, financial instruments which take their value indirectly from other assets. They rely on other companies to fulfill contractual obligations and carry more risk. Refer to the prospectus ('Use of Derivatives' section) for more details.

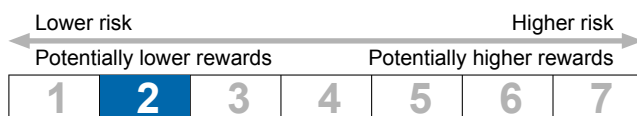
Other Information

- Income will be included in the value of your shares.

Buying and selling shares

- Investors may buy and sell shares on any Luxembourg business day.

RISK AND REWARD PROFILE



The risk and reward category shown is based on historic data.

- Historic figures are only a guide and may not be a reliable indicator of what may happen in the future.
- As such this category may change in the future.
- The higher the category, the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk free investment.
- The fund is in this category because it invests in fixed income securities, which tend to be less volatile than company shares.

This rating does not take into account other risk factors which should be considered before investing, these include:

- Your investment can go down as well as up. You may not get back the amount you have invested.
- The value of bonds are likely to decrease if interest rates rise and vice versa.
- Issuers may not be able to repay their debts, if this happens the value of your investment will decrease. This risk is higher where the fund invests in a bond with a lower credit rating. Investors may be compensated for this with higher interest payments.
- The fund relies on other parties to fulfil certain investments or transactions, if these parties become insolvent your investment may be significantly reduced.

CHARGES

The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest

Entry charge 3.00%

Exit charge 0.00%

This is the maximum that might be taken out of your money before it is invested / before the proceeds of your investment are paid out.

Charges taken from the fund over a year

Ongoing charges 0.66%

Charges taken from the fund under certain specific conditions

Performance fee:

Not applicable

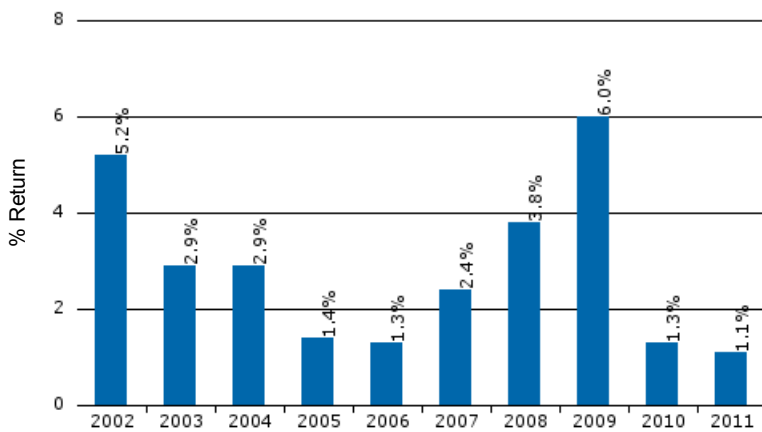
The entry and exit charges shown are maximum figures. In some cases you might pay less, you can find this out from your financial adviser.

The ongoing charges figure is based on expenses for the year ending 31st December, 2011. This figure may vary from year to year. It excludes almost all costs of dealing in the fund's underlying investments.

The fund may charge a fee on purchases, sales or switches if it feels other shareholders will suffer as a result of the cost of the transaction. This fee will be retained by the fund for the benefit of all shareholders.

For more information about charges, please see the Charges and Expenses section of the prospectus.

PAST PERFORMANCE



- Past performance is only a guide and does not guarantee future performance.
- Past performance has been calculated after the deduction of ongoing charges, as described above, but not the deduction of entry or exit charges.
- The fund was launched in 1994.
- Past performance has been calculated in EUR.

PRACTICAL INFORMATION

- Shares can also be bought in USD
- The depositary is J.P. Morgan Bank Luxembourg S.A.
- Prices of shares and other information can be obtained at www.morganstanleyinvestmentfunds.com.
- Further information can be obtained by contacting your financial adviser. Copies of the prospectus, latest annual report and semi annual report, in English, can be obtained free of charge from Morgan Stanley Investment Management Ltd, European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, Luxembourg. This key investor information document describes a compartment of a UCITS. The prospectus and periodic reports are prepared for the entire UCITS, Morgan Stanley Investment Funds. The assets and liabilities of each compartment are segregated by law so an investor has no claims over the assets of a compartment in which they do not own shares.
- The tax legislation of Luxembourg may have an impact on the personal tax position of the investor.
- Morgan Stanley Investment Funds may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the UCITS.
- Investors may switch between compartments of the Morgan Stanley Investment Funds. Please see the prospectus or contact your financial adviser for details.