

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.

MS HORIZONS Cedola Obbligazioni Globali 2020 (“the Sub-Fund”)

Share class : “AX EUR” (LU1409374441), Base currency : “EUR”

a sub-fund of MORGAN STANLEY HORIZON FUNDS SICAV (“the UCITS”)

The Sub-Fund is managed by MUFG Lux Management Company S.A., a member of MUFG, a global financial group

Objectives and Investment Policy

Objective

- To generate income and capital appreciation over a four year period. This fund may not be appropriate for investors who plan to withdraw their money before end of that period.

Main Investments

- Fixed income securities issued by corporates, governments and government-related entities located in any country and denominated in any currency.

Investment Policy

- The Sub-Fund allocates across a spectrum of fixed income asset classes including high yield bonds, investment grade bonds, mortgage-backed securities, convertibles and currencies.
- The Sub-Fund may invest to a lesser extent in fixed income securities issued in emerging markets.

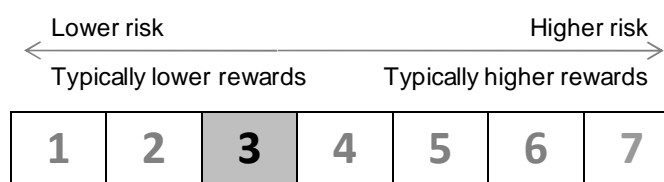
Other Information

- The Sub-fund may use derivative instruments for investment or efficient portfolio management purposes, including hedging. The Sub-Fund will seek to minimize currency risk by hedging non-Euro currency investments back to the Euro., however results can not be guaranteed.
- Mortgage-backed securities are securities whose value and income payments are derived from the ownership of a pool of underlying mortgage debts.
- Derivatives are financial instruments whose characteristics and value depend on the performance of one or more underlying assets (securities, indexes, currencies). They may rely on other companies to fulfil contractual obligations and carry more risk.
- The Sub-Fund will not invest in contingent convertible instruments.

Buying and selling shares

- Investors may buy and sell shares on every full banking business day in Luxembourg.

Risk and Reward Profile



The risk and reward category shown is based on historic data. The risk and reward indicator illustrates where the Sub-Fund is positioned in terms of its possible risk and reward. The higher the Sub-Fund’s position on this scale, the greater the possible reward, but also the greater risk of losing money. This risk indicator is calculated using historical data, which cannot be used as a prediction for the future. Therefore the risk classification may change over time. Even if the Sub-Fund is in the lowest risk class you can lose money, as no investments are entirely risk free. The Sub-Fund is in this category because it invests in fixed income securities and the fund’s simulated and/or realised return has experienced medium rises and falls historically.

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

- **Credit risk** - the risk of loss arising from default that may occur if an issuer fails to make principal or interest payments when due. This risk is higher if the Sub-Fund holds low-rated, non-investment-grade securities.
- **Derivatives risk** – the risk of loss in an instrument where a small change in the value of the underlying investment may have a larger impact on the value of such instrument. Derivatives may involve additional liquidity, credit and counterparty risks.
- **Emerging markets risk** - the risk related to investing in countries that have less developed political, economic, legal and regulatory systems, including less developed custody and settlement practices, higher volatility and lower liquidity than non emerging market securities.
- **Liquidity risk** - the risk that arises when adverse market conditions affect the ability to sell assets of the Sub-Fund at a certain time and for a reasonable price.
- **Operational risk** - the risk of material losses that may arise as a result of human error, system and/or process failures, inadequate procedures or controls.

Charges

The charges you pay are used to pay the costs of running the Sub-Fund, including the costs of marketing and distributing it. Charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry Charge	2.00%
Exit Charge	2.00%
<i>This is the maximum that might be taken out of your money before it is invested (entry charge) or before the proceeds of your investment are paid out (exit charge).</i>	
Charges taken from the Sub-Fund over a year	
Ongoing charge	1.61%
Charges taken from the Sub-Fund under certain specific conditions	
Performance Fee	None

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 an estimate based on the expected total of charges. This figure may vary from year to year.

Performance fees and portfolio transaction costs are not included in the ongoing charges figure, except for portfolio transaction costs for entry / exit charges paid by the Sub-Fund when buying or selling units in another fund.

More information on charges can be found in Section “Expenses” of the UCITS’ prospectus, available at the UCITS’ registered office.

Past Performance

This Sub-Fund came into existence during August of 2016.

There is therefore insufficient data to provide a useful indication of past performance.

Practical Information

The Depository of the Sub-Fund is Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.

Further information about the Sub-Fund and copies of annual reports, semi annual reports and prospectus can be obtained free of charge upon request at the UCITS registered office.

Other practical information, including information on how to subscribe shares and the latest prices of shares, is made available to the public at the UCITS registered office.

The Luxembourg tax legislation applicable to the UCITS may have an impact on your personal tax position.

MUFG Lux Management Company S.A. 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.

With effect from March 2016, the remuneration policy of MUFG Lux Management Company S.A., which describes how remuneration and benefits are determined and awarded, and the associated governance arrangements, is available to shareholders of the UCITS at <http://lu.tr.mufg.jp/lmsa/>. A paper copy is available free of charge upon request.

The UCITS is authorized in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (www.cssf.lu).

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The KIID is accurate as at August 2, 2016.