

Morgan Stanley Funds (UK)

## Sustainable Fixed Income Opportunities Fund - F Accumulation Shares

### Investment Objective

The fund aims to provide income and capital growth over a 5 year period.

### Investment Approach

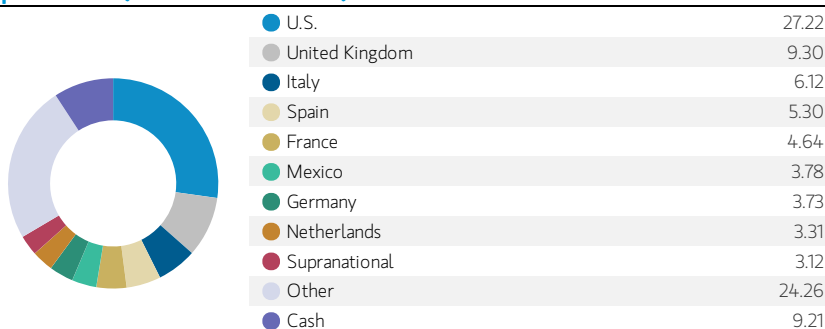
The Fund seeks to provide an attractive rate of return, measured in GBP, through an active, flexible approach to investing in global fixed income securities. Sustainable management means that the Investment Adviser integrates Environmental, Social and Governance ("ESG") considerations into its investment decision-making, with minimum thresholds of sustainability for the corporates and sovereigns in the portfolio. The Fund will not knowingly invest in corporate sectors that are not aligned with the Investment Adviser's sustainable investing approach, nor in securities of issuers that are subject to Fund's ESG exclusion policy (Please refer to Fund's Restriction Screening Policy for full details). For corporate holdings, the Fund will maintain a lower carbon footprint than the corporate bond component of the Bloomberg Global Aggregate Index. The Fund may hold a proportion of its portfolio in Sustainable Bonds, defined as labelled debt instruments where the issuer has committed to financing or attaining specific environmental and/or social objectives.

### Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Leon Grenyer, Managing Director	2002	25
Michael B. Kushma, Chief Investment Officer of Global Fixed Income	1987	33
Christian G. Roth, Managing Director	1991	34

Team members may be subject to change at any time without notice.

### Top Countries (% of Total Net Assets)<sup>1</sup>



### Sector Allocation (% of Total Net Assets)<sup>1,2,3,4</sup>

	PORTFOLIO
<b>Credit</b>	<b>41.34</b>
Investment Grade Corporates	27.42
High Yield Corporates	12.98
Convertibles	0.93
<b>Securitized</b>	<b>26.47</b>
Non-Agency RMBS	12.44
ABS	8.28
CMBS	5.75
<b>Government</b>	<b>22.98</b>
Treasuries	6.56
Sovereign	6.24
Government Related	10.18
<b>Cash &amp; Equivalents</b>	<b>9.21</b>

<sup>1</sup> May not sum to 100% due to rounding.

<sup>2</sup> 'Securitized' includes agency and non-agency RMBS and CMBS

<sup>3</sup> Credit Default Swap - In addition to the market values noted for Investment Grade Credit, High Yield Credit and CMBS, there may be additional notional long or short exposure to credit default swaps in these markets.

<sup>4</sup> For additional information regarding sector classification/definitions please visit [www.msci.com/gics](http://www.msci.com/gics) and the glossary at [www.morganstanley.com/im](http://www.morganstanley.com/im).

### Share Class

	CLASS F ACC
Currency	Sterling
ISIN	GB00BNKVPG43
Bloomberg	MOFIOFA LN
Inception date	11 December 2020
Net asset value	£ 9.99

### Fund Facts

Launch date	11 December 2020
Base currency	Sterling
Total net assets	£ 26.32 million
Structure	UK OEIC

### Charges (%)

	CLASS F ACC
Max Entry Charge	0.00
<b>Ongoing Charges</b>	<b>0.40</b>
Management Fee	0.25

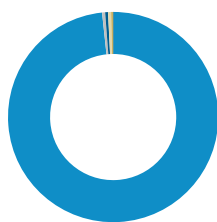
Entry Charge is a maximum possible figure. In some cases you might pay less, you can find this out from your financial adviser. Ongoing Charges reflect the payments and expenses incurred during the fund's operation and are deducted from the assets of the fund over the period. It includes fees paid for investment management (Management Fee), trustee/custodian, and administration charges. For more information please see the Charges and Expenses section of the prospectus.

### Subscriptions (GBP)

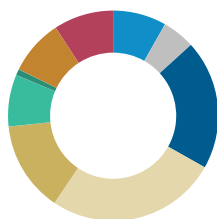
	CLASS F ACC
Minimum initial investment	150,000,000
Minimum subsequent Investment	0

### Characteristics

	FUND
Duration (years)	3.08
Average yield to maturity (%)	2.15
Number of holdings	185

**Currency Allocation (% of Total Net Assets)<sup>1</sup>**

	FUND
British Pound	100.40
South Africa Rand	0.48
Japanese Yen	0.46
Russian Ruble	0.46
Mexican New Peso	0.32
Swiss Franc	-0.02
South Korean Won	-0.02
Australian Dollar	-0.10
Other	-2.00

**Quality Distribution (% of Total Net Assets)<sup>1,5</sup>**

	FUND
AAA	8.23
AA	5.01
A	19.93
BBB	26.25
BB	13.93
B	7.98
CCC	0.94
Not Rated	8.51
Cash	9.21

**Top Holdings (% of Total Net Assets)<sup>6</sup>**

	FUND
Mexico (United Mexican States)	2.82
Italy (Republic of)	2.14
Chmsr_18-Gt1	1.59
Kreditanstalt Fuer Wiederaufbau	1.58
Intesa Sanpaolo SPA	1.33
European Investment Bank	1.32
Bayview Commercial Asset Trust Bayc_05-3	1.31
Arwc_18-1	1.28
United States Treasury	1.24
Africa Finance Corp	1.20
<b>Total</b>	<b>15.81</b>

<sup>1</sup> May not sum to 100% due to rounding.

<sup>5</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>6</sup> These securities and percentage allocations are only for illustrative purposes and do not constitute, and should not be construed as, investment advice or recommendations with respect to the securities or investments mentioned.

Please refer to the Prospectus for full risk disclosures. All data as of 30.09.2021 and subject to change daily.

**DEFINITIONS**

**Average yield to maturity** measures the annual return on interest-bearing securities. In this it is assumed that they will be held to maturity. This metric includes both the coupon payments received during the term of the security and the repayment of the capital on maturity. **Bloomberg** stands for 'Bloomberg Global Identifier (BBGID)'. This is a unique 12 digit alphanumeric code designed to enable the identification of securities, such as the Morgan Stanley Investment Funds sub-funds at share class level, on a Bloomberg Terminal. The Bloomberg Terminal, a system provided by Bloomberg L.P., enables analysts to access and analyse real-time financial market data. Each Bloomberg code starts with the same BBG prefix, followed by nine further characters that we list here in this guide for each share class of each fund. **Cash & Equivalents** are defined as the value of assets that can be converted into cash immediately. These include commercial paper, open FX transactions, Treasury bills and other short-term instruments. Such instruments are considered cash equivalents because they are deemed liquid and not subject to significant risk of changes in values. **Duration** is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. **ISIN** is the international securities identification number (ISIN), a 12 digit

**Share Class F ACC Risk and Reward Profile**

Lower Risk Higher Risk



Potentially Lower Rewards

Potentially Higher Rewards

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 interest securities. and the fund's simulated and/or realised return has experienced medium rises and falls historically.
- The fund may be impacted by movements in the exchange rates between the fund's currency and the currencies of the fund's investments.

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

- The value of bonds are likely to decrease if interest rates rise and vice versa.
- The value of financial derivative instruments are highly sensitive and may result in losses in excess of the amount invested by the Sub-Fund.
- 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.
- The fund relies on other parties to fulfill certain services, investments or transactions. If these parties become insolvent, it may expose the fund to financial loss.
- There may be an insufficient number of buyers or sellers which may affect the fund's ability to buy or sell securities.
- Investment in China A-Shares via Shanghai-Hong Kong Stock Connect program may also entail additional risks, such as risks linked to the ownership of shares.
- There are increased risks of investing in emerging markets as political, legal and operational systems may be less developed than in developed markets.
- Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. The value of investments and the income from them can go down as well as up and investors may lose all or a substantial portion of his or her investment.
- The value of the investments and the income from them will vary and there can be no assurance that the Fund will achieve its investment objectives.
- Investments may be in a variety of currencies and therefore changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Furthermore, the value of investments may be adversely affected by fluctuations in exchange rates between the investor's reference currency and the base currency of the investments.

**Additional F Share Classes**

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
F INC	GBP	11.12.2020	GB00BNKVPH59	MOFIOFI LN

code consisting of numbers and letters that distinctly identifies securities. **NAV** is the Net Asset Value per share of the Fund (NAV), which represents the value of the assets of a fund less its liabilities. **Number of holdings** provided are a typical range, not a maximum number. The portfolio may exceed this from time to time due to market conditions and outstanding trades.

**IMPORTANT INFORMATION**

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