

Morgan Stanley Funds (UK)

Sustainable Fixed Income Opportunities Fund

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. The investment process of the Fund emphasizes ESG considerations, and incorporates active engagement with company management regarding ESG related issues.

Securities are selected to adhere with a strict set of sustainability criteria. The Fund excludes certain issuers and sectors to reduce exposure to sustainability risks, and adheres to minimum safeguards and global norms. In addition, it focuses on best-in-class issuers, prohibiting investments in issuers that fall in the bottom 20% of each sector, based on a proprietary scoring methodology, and aims to achieve portfolio-level net zero emissions by 2050.

Please refer to the Restriction Screening Policy and the MSIM Fixed Income Net Zero Methodology paper for more information.

Investment Team

	JOINED FIRM	YEARS OF INDUSTRY EXPERIENCE
Leon Grenyer, Head of European Multi-Sector	2002	27
Michael B. Kushma, CIO, Broad Markets Fixed Income	1987	36
Christian G. Roth, Chairman, Broad Markets Fixed Income	1991	36

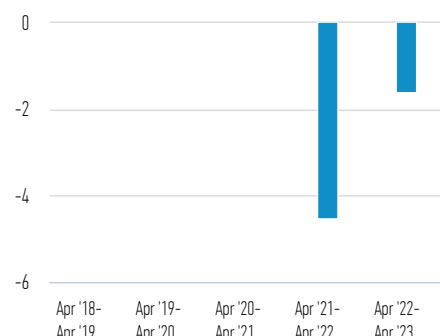
Team members may be subject to change at any time without notice.

Class I ACC shares (% net of fees) vs. Index in GBP

Performance of 100 GBP Invested Since Inception
(Cash Value)



12 Month Performance Periods to Latest Month End
(%)



— Class I ACC Shares

■ Class I ACC Shares

Investment Performance (% net of fees) in GBP

	Cumulative (%)				Annualised (% p.a.)			
	1 M	3 M	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class I ACC Shares	0.54	0.44	1.99	-1.60	--	--	--	-3.00

Calendar Year Returns (%)

	2022	2021	2020	2019	2018	2017	2016
Class I ACC Shares	-8.19	-0.82	--	--	--	--	--

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. The sources for all performance and Index data is Morgan Stanley Investment Management.

MULTI-SECTOR TEAM

Share Class	CLASS I ACC
Currency	Sterling
ISIN	GB00BNKVP424
Bloomberg	MOFIOIA LN
Inception date	11 December 2020
Net asset value	£ 9.30

Fund Facts

Launch date	11 December 2020
Base currency	Sterling
Total net assets	£ 29.15 million
Structure	UK OEIC

Charges (%)

	CLASS I ACC
Max Entry Charge	0.00
Ongoing Charges	0.60
Management Fee	0.45

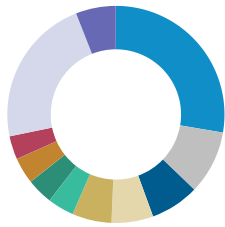
Entry Charge is a maximum possible figure. In some cases you might pay less, you can find this out from your financial adviser. Ongoing Charges reflect the payments and expenses incurred during the fund's operation and are deducted from the assets of the fund over the period. It includes fees paid for 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 I ACC
Minimum initial investment	0
Minimum subsequent investment	0

Characteristics

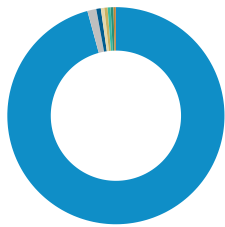
	FUND
Duration (years)	3.61
Average yield to maturity (%)	6.75
Number of holdings	227

Top Countries (% of Total Net Assets)¹

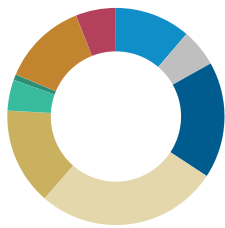
	FUND
U.S.	27.70
United Kingdom	9.48
France	7.28
Italy	6.21
Spain	5.85
Netherlands	3.95
Supranational	3.92
Mexico	3.90
Australia	3.50
Other	22.25
Cash	5.98

Sector Allocation (% of Total Net Assets)^{1,2,3,4}

	PORTFOLIO
Credit	34.71
Investment Grade Corporates	22.79
High Yield Corporates	10.87
Convertibles	1.05
Securitized	32.16
Non-Agency RMBS	14.68
ABS	9.07
CMBS	8.41
Government	27.15
Treasuries	15.10
Sovereign	1.36
Government Related	10.69
Cash & Equivalents	5.98

Currency Allocation (% of Total Net Assets)¹

	FUND
British Pound	100.19
Euro	1.39
Mexican New Peso	0.71
Indonesian Rupiah	0.54
Hungarian Forint	0.50
Norwegian Krone	0.48
Japanese Yen	0.45
Thai Baht	0.35
Other	-4.63

Quality Distribution (% of Total Net Assets)^{1,5}

	FUND
AAA	11.26
AA	5.62
A	17.37
BBB	27.16
BB	14.46
B	4.61
CCC	0.85
Not Rated	12.69
Cash	5.98

¹ May not sum to 100% due to rounding.

² 'Securitized' includes agency and non-agency RMBS and CMBS

³ 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.

⁴ For additional information regarding sector classification/definitions please visit

www.msci.com/gics and the glossary at www.morganstanley.com/im

⁵ 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.

⁶ 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 30.04.2023 and subject to change daily.

Top 10 Issuers (% of Total Net Assets)⁶

	FUND
South Africa (Republic of)	3.36
Mexico (United Mexican States)	3.31
Italy (Republic of)	2.51
New Zealand (Government of)	2.08
European Investment Bank	1.79
Indonesia (Republic of)	1.73
European Union	1.53
Australia Government	1.51
Bnp Paribas S.A.	1.42
Caixabank S.A.	1.41
Total	20.65

Share Class I 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 can be complex and volatile, 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.
- Sustainability factors can pose risks to investments, for example: impact asset values and increased operational costs.
- 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 I Share Classes

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
I INC	GBP	11.12.2020	GBO0BNKVPF36	MOFIOII LN

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 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

This document contains information relating to the sub-funds of Morgan Stanley Funds (UK) (the 'Company') in accordance with the Open-Ended Investment Companies Regulations 2001 and the rules contained in the Collective Investment Schemes Sourcebook made by the Financial Conduct Authority in exercise of its powers under Section 247 of the Financial Services and Markets Act 2000. The Company is an Undertaking for Collective Investment in Transferable Securities ("UCITS").

Applications for shares in the sub-funds should not be made without first consulting the current Prospectus, Key Investor Information Document ("KIID"), Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which is available free of charge from the Registered Office: 25 Cabot Square, Canary Wharf, London E14 4QA. The document has been prepared solely for informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy.

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