

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.

Morgan Stanley HORIZONS Balanced 2027 Fund (“the Sub-Fund”)

Share class: “AX EUR” (Distribution) (LU2341240054)

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 provide an attractive level of risk adjusted return, measured in EUR, primarily through investing via a global portfolio of collective investment schemes (including other Morgan Stanley funds) in a variety of different types of investments, including mutual funds, exchange traded funds (ETFs), cash, commodity-linked investments, and through financial derivative instruments.
- Seeks to manage risk within an annualised target volatility range of 4% to 8%. No guarantee is made that the objective of the Sub-Fund will be achieved.

Main Investments

- Collective investment schemes and ETFs in fixed income securities and equities and exchange traded commodities (ETCs).

Investment Policy

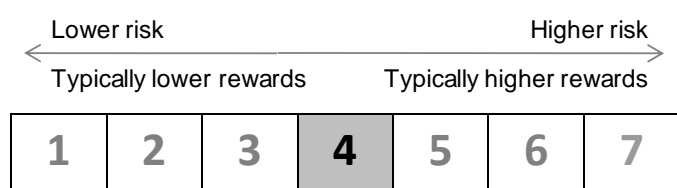
- The Sub-Fund will invest in collective investment schemes and exchange traded funds across a spectrum of fixed income asset classes, including developed and emerging markets, investment grade, non-investment grade, high yield, inflation-linked, unrated securities, loan participations and loan assignments.
- The Sub-Fund has an active investment strategy and is not managed in reference to a benchmark.
- Equities shall not exceed 45% of the NAV of the Sub-Fund.

- Collectively non-investment grade securities and unrated securities will not exceed 25% of the Net Asset Value of the Sub-Fund.
- Equity investment will be through collective investment schemes and exchange traded funds in developed and emerging markets worldwide which may include closed-end Real Estate Investment Trusts (REITS) and open-ended collective investment schemes.
- The Sub-Fund may implement tactical views on commodities via exchange traded commodities (ETCs) which will not use embedded derivatives and which qualify as ‘transferable securities’ and/or eligible commodity linked notes.
- The Sub-fund may use derivative instruments for investment or efficient portfolio management purposes, including hedging.

Other Information

- Regardless of income and profitability, a fixed 2.25% of the initial issue price is distributed annually as dividends to investors starting July 2022. Such dividends will be paid out of available income and/or by way of reduction of capital if necessary
- The Principal Investment Period will end on or around 27 July 2027.
- Income will be paid in cash.
- Recommendation: this fund may not be appropriate for investors who plan to withdraw their money within six (6) years.
- Investors may 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 fund is in this category because it invests in a range of assets with different levels of risk 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:

- **Capital risk** - fixed dividend distributions may be paid out of capital if investment income is less than the fixed distribution amount.
- **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.
- **Commodity risk** - the risk that commodity related investments may change in value significantly and quickly.

Charges

The charges you pay are used to pay the costs of running the Sub-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	None
Exit Charge	2%*
<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	1.83%
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. The ongoing charges figure includes part of a 2% upfront distribution fee paid to the distributor or relevant sub-distributor.

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.

*An Exit Charge of up to 2% will be charged in the form of a diminishing Contingent Deferred Sales Charge if you sell your shares within the first six (6) years of purchase. It will decrease annually until such six (6) years period ends

For each redemption during the Principal Investment Period and subsequent subscription, a dilution levy of a maximum of 2% may apply. The dilution levy will be allocated to the assets of the Sub-Fund and will, therefore, benefit the existing or remaining investors, as opposed to the CDSC which will benefit the distributor or relevant sub-distributor.

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 the year 2021 and this share class came into existence on July 27 of 2021. There is therefore insufficient data to provide a useful indication of past performance.

Practical Information

The Depositary 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.

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 <https://www.mufg-investorservices.com/office-locations/luxembourg/lmsa.html>. 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 June 16 2021.