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MORGAN STANLEY INVESTMENT FUNDS

Société anonyme - Société d'Investissement à Capital Variable
Registered office: 6B, route de Trèves, L-2633 Senningerberg
R.C.S. Luxembourg: B 29 192
(the "Company")

**NOTICE TO SHAREHOLDERS
OF
CALVERT SUSTAINABLE GLOBAL GREEN BOND FUND**

Luxembourg, 27 November 2023

Dear shareholder,

We are writing to you as a holder of shares in Morgan Stanley Investment Funds Calvert Sustainable Global Green Bond Fund (the "Fund").

The board of directors of the Company (the "Board") has decided to amend the investment policy of the Fund in order to clarify the investment restrictions of the Fund, and Calvert's role. The amended investment policy shall read as detailed in **Appendix 1** (new wording is in bold and the wording to be removed is struck through). These amendments will also be reflected in the SFDR disclosure annex dedicated to the Fund, included in Appendix L of the Prospectus.

These changes will not affect the risk profile of the Fund.

The above-mentioned changes will be effective as from 27 December 2023 and are included in the version of the Prospectus dated November 2023. The full list of share classes impacted by these changes is available in **Appendix 2**.

Your options

1. If you agree to the changes mentioned above, you do not need to take any action. The changes will automatically come into effect for the Fund as from 27 December 2023.

2. If you disagree with the changes noted above, you may either:

a) Convert your Shares into another fund of the Company. Any applications for conversion must be received by 1 pm CET on 22 December 2023 and be made in accordance with Section 2.4 "*Conversion of Shares*" of the Prospectus. Please ensure that you read the UCITS KIID or PRIIPs KID for any other fund of the Company that you are considering converting into and seek advice from your financial adviser if you are unsure about the action you should take.

or,

b) Redeem your investment. Any applications for redemption must be received by 1 pm CET on 22 December 2023.

Conversions or redemptions will be processed free of charge, with the exception of any applicable Contingent Deferred Sales Charges, at the relevant net asset value per share on the Dealing Day on which the relevant shares are redeemed or converted, in accordance with the terms of the Prospectus.

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A copy of this new Prospectus is available upon request at the registered office of the Company.

Capitalised terms used in this notice shall have the meaning ascribed to them in the current Prospectus, unless the context otherwise requires.

The Board accepts responsibility for the accuracy of the information contained in this notice. The Prospectus and the relevant UCITS KIID or PRIIPs KID are available to investors, free of charge, at the registered office of the Company or at the offices of foreign representatives.

Should you have any questions or concerns about the foregoing, please contact the Company at its registered office in Luxembourg, the Investment Adviser of the Company or the representative of the Company in your jurisdiction. You should inform yourself of, and where appropriate take advice on, the tax consequences of the foregoing in your country of citizenship, residence or domicile.

Yours sincerely

The Board

Appendix 1

Amendments to the Fund's investment policy:

"The Calvert Sustainable Global Green Bond Fund's investment objective is to provide an attractive level of total return, measured in US Dollars, through investment in global Fixed Income Securities that meet the Investment Adviser's ESG and Impact criteria (as further described below) and qualify as sustainable investments under the SFDR, with the objective of supporting positive environmental and social impacts and outcomes. The Fund will seek to achieve the investment policy through allocation across fixed income asset classes as well as through market and instrument selection.

The Fund will invest primarily in Green Bonds (as defined below) including the global securities of corporate, government and government related issuers across a spectrum of fixed income asset classes including, investment-grade bonds, high yield bonds, mortgage-backed securities, asset-backed securities, convertibles and currencies, and subject to applicable law, in other asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised. High yield bonds are considered to be Fixed Income Securities issued by corporations that are rated lower than "BBB-" by S&P or "Baa3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. These investments may include fixed income securities issued in emerging markets.

In relation to this Fund, the use of "Calvert" in the name refers to Calvert Research and Management ("Calvert"), an indirect, wholly owned subsidiary of Morgan Stanley, whose role in relation to this Fund is limited to the provision of non-discretionary investment advice to the Investment Adviser to assist the Investment Adviser in its management of the Fund. Calvert has no discretion to make or recommend portfolio allocation or construction decisions on behalf of the Fund, such investment discretion being vested solely in the Investment Adviser.

*In relation to this Fund, "Sustainable" means that the Investment Adviser integrates the consideration of sustainability themes and ESG issues in its investment decision-making on a discretionary basis as detailed below. The Investment Adviser ~~may~~ **and Calvert also seek to engage company management around corporate governance practices and what it deems to be materially important environmental and/or social** ~~on financially material ESG issues facing a~~ **identified through fundamental and ESG research processes. Engagement may seek to drive positive change, to improve the sustainability of each company, and/or to enhance long-term value creation. It will** ~~may~~ also seek to support positive environmental and social impacts and outcomes, having regard to sustainability themes such as Decarbonisation & Climate Risk, Circular Economy & Waste Reduction, Diverse & Inclusive Business and Decent Work & Resilient Jobs.*

For the purpose of this Fund, 'Green Bonds' include but are not limited to the following instruments:

- *Green Use of Proceeds Bonds, with proceeds targeted to environmentally beneficial projects (with or without external Green Bond labelling);*
- *Sustainability Bonds, with a proportion of the proceeds targeted to environmentally beneficial projects;*
- *Transition Bonds, with proceeds targeted to transitioning to more environmentally favourable business models;*
- *Sustainability-linked Bonds, with environmental key performance indicators and targets; and*
- *Bonds of issuers that seek to provide environmental solutions or that demonstrate environmental sustainability leadership.*

*The Investment Adviser **utilises Calvert's research in relation to Green Bonds. Calvert** employs a proprietary assessment framework for Green Bonds (which has regard to, where appropriate, recognised green bond guidelines such as the Green Bonds Principles of the International Capital Market Association), through which the robustness,*

expected impact and transparency of all such instruments in the Fund are evaluated. The Investment Adviser ~~uses and Calvert may use~~ third-party data and ESG research as part of its **their** analysis. ~~Where, and where~~ data may not be available, the Investment Adviser ~~will use~~ internal methodologies or reasonable estimates. The methodologies used by different data providers can vary and may result in different evaluations. Details of the **Green Bond** evaluation methodology and the Calvert Principles for Responsible Investment ~~is~~ **are** available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im..

On an ancillary basis the Fund may invest in securities which are not identified ~~by the Investment Adviser~~ as Green Bonds, provided ~~the Investment Adviser~~ **that Calvert** has assessed that the issuer and/or security makes a significant contribution to positive social impacts or outcomes either through the issuer's products and services or through its practices or through the specific projects or investments financed by the bond issue, and provided ~~the Investment Adviser~~ **Calvert** has established that the activities of the issuer or projects associated with the bond issue, as applicable, do not result in adverse environmental or social impacts, or cause significant harm in accordance with the SFDR sustainable investment requirements. Such investments may include labelled Social Bonds, with proceeds allocated to projects focussed on positive social outcomes and / or target populations, or labelled Sustainability-linked Bonds with social key performance indicators and targets. Such labelled bonds will also be subject to the ~~Investment Adviser's~~ **Calvert's** proprietary assessment framework, as described above. The labels "Green", "Social", "Sustainability" and "Sustainability-Linked" attached to the bonds by their issuers stand for the fact that their frameworks are, in most cases, although not exclusively, aligned with the International Capital Market Association (ICMA) Green/Social/Sustainability-Linked Bond Principles, or Sustainability Bond Guidelines, or principles/guidelines established in other jurisdictions.

The aim of the Investment Adviser will be to ensure that at least 90% ~~of the securities in the portfolio~~ **Fund's assets** are assessed with respect to the sustainability themes and ESG issues described above.

~~In relation to this Fund, the use of "Calvert" in the name refers to Calvert Research and Management ("Calvert"), whose role in relation to this Fund is limited to the provision of non-discretionary investment advice to the Investment Adviser to assist the Investment Adviser in its management of the Fund. Calvert has no discretion to make discretionary investment decisions on behalf of the Fund, such investment discretion being vested solely in the Investment Adviser.~~

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of derivative instruments such as index futures, contracts for difference (CFDs), TRS, structured notes (including participatory notes), convertible bonds, convertible preferred stocks, options, foreign exchange options, currency forwards and forward contracts and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Investment restrictions

Investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of: **controversial weapons, including anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons;**
 - manufacturing or production of civilian firearms, **where the company derives >5% revenue from such business activity;**
 - manufacturing or production of tobacco, or where the company derives >10% revenue from tobacco distribution or retail; **or**
 - gambling, where the company derives >10% revenue from such business activity;
- ~~and~~

- ~~adult entertainment, where the company derives >10% revenue from such business activity.~~

The Fund will also not invest in securities of issuers that ~~fail~~ **have experienced very severe ESG-related controversies, including in relation to** ~~comply with~~ **violations of the UN Global Compact or, UN Guiding Principles on Business and Human Rights, the ILO Fundamental Principles, and where the Investment Adviser believes appropriate remedial action has not been taken. OECD Guidelines for Multinational Enterprises.**

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund but subsequently become restricted due to the application of the ESG criteria above, after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

It is not expected that the Fund will invest more than 50% of its net assets in aggregate in securitized instruments. It is not expected that the Fund will invest more than 20% of its net assets in any one type of securitized instrument (e.g., asset-backed securities (ABS), commercial mortgage-backed securities (CMBS), residential mortgage-backed securities (RMBS), agency mortgage-backed securities (MBS)).

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's ~~key investor information document.~~ **KID.**

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix L.

Profile of the typical investor

In light of the Calvert Sustainable Global Green Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

Appendix 2

The ISIN numbers listed in the table below are correct as at the date of this notice. We recommend that you visit the Company's website (www.morganstanleyinvestmentfunds.com) for most up-to-date information.

Share classes	ISIN numbers	
Morgan Stanley Investment Funds Calvert Sustainable Global Green Bond Fund	A	LU2502369304
	AH (EUR)	LU2502369486
	B	LU2502369569
	BH (EUR)	LU2502369643
	C	LU2502369726
	CH (EUR)	LU2502369999
	I	LU2502370062
	Z	LU2502370146