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PLEASE SEEK PROFESSIONAL ADVICE**

## **MORGAN STANLEY INVESTMENT FUNDS**

*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**

17 May 2017

Dear Shareholder,

We are writing to you as a shareholder of the Morgan Stanley Investment Funds Diversified Alpha Plus Low Volatility Fund (the “**Fund**”).

We hereby give you notice that the board of directors of the Company (the “**Board**”) has decided to amend the investment policy of the Fund from that currently set out in the prospectus of the Company dated October 2016 (the “**Prospectus**”) and change the name of the Fund to the Morgan Stanley Investment Funds Global Multi-Asset Opportunities Fund.

In particular, the investment objective of the Fund will no longer refer to the level of volatility targeted by the Morgan Stanley Investment Funds Diversified Alpha Fund (the “**DAP Fund**”). Instead, with effect from 20 June 2017 (the “**Effective Date**”), the Fund’s investment objective will read as follows (amendments are set out in **bold type**):

*The Fund’s investment objective is to provide an absolute return, measured in Euros, while actively managing total portfolio risk. The Investment Adviser seeks to manage downside risk and **targets below market volatility**.*

Shareholders should be aware that this change will lead to a moderate increase in the volatility of the Fund.

The changes being made to the Fund are part of a rationalisation of the Company’s asset allocation fund offering.

As a result thereof, the Board has decided to amend the name and the characteristics of the Fund with effect from the Effective Date as follows:

	<b>Current name and characteristics</b>	<b>New name and characteristics</b>
<b>Name</b>	Diversified Alpha Plus Low Volatility Fund	Global Multi-Asset Opportunities Fund
<b>Global Exposure Methodology</b>	Absolute VaR	Absolute VaR
<b>Expected gross leverage</b>	300%	500%

The above-mentioned changes are included in the version of the Prospectus dated May 2017.

If you do not object to the changes being made to the Fund and wish to remain invested in the Fund, you do not need to take any action. If you do object to the changes, you may redeem or convert your shareholding without any redemption or conversion charges as from the date of this notice and up to 1 pm CET on 19 June 2017. For the avoidance of doubt, Shareholders' right to redeem or convert their shares is not affected by these changes.

You should note that a redemption or switch will be treated as a disposal of shares for tax purposes and you may be liable to tax on any gains arising from the redemption or switch of shares. 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.

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.

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.

Luxembourg, 17 May 2017

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On behalf of the Company

**MORGAN STANLEY INVESTMENT MANAGEMENT (ACD) LIMITED**