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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 TO THE SHAREHOLDERS OF MORGAN STANLEY INVESTMENT FUNDS EMERGING
MARKETS SMALL CAP EQUITY FUND**

Dear Shareholder,

We are writing to you as shareholder of Morgan Stanley Investment Funds Emerging Markets Small Cap Equity Fund (the "**Fund**").

We hereby give you notice that the current level of assets of the Fund does not provide for sufficient economies of scale and that the continued operation of the Fund in these circumstances is not in the best interests of shareholders.

As a consequence, the board of directors of the Company (the "**Board**") has decided to dissolve and to further liquidate the Fund as from 28 May 2021 (the "**Liquidation Date**"), for the purpose of economic rationalization in accordance with section 2.3 "*Redemption of Shares - Compulsory Redemption*" and section 3.1 "*General Information - Dissolution*" of the prospectus of the Company (the "**Prospectus**") and article 24 of the articles of incorporation of the Company (the "**Articles**"), and to compulsorily redeem all the shares within the Fund on or around 5 August 2021 (the "**Effective Date**"), at a price based on the net asset value per share (taking into account actual realisation prices of investments and realisation expenses) calculated at the valuation point of that day (the "**Redemption Price**"), in accordance with the relevant provisions of the Prospectus and Articles. Redemption proceeds will be paid out on the Effective Date or within a reasonable time after such Effective Date if the completion of the liquidation is delayed in particular in case of less liquid assets. The Board will inform the Shareholders in case such delay exceeds three (3) months.

It is currently expected that the majority of the Fund's portfolio will continue to be invested in accordance with the Fund's investment objective, as described in the Prospectus for the majority of the period from the Liquidation Date until the Effective Date. Some assets in the Fund's portfolio may, however, be sold in advance of the Effective Date to ensure that all investment proceeds are received prior to the Effective Date. The proceeds of such sales will be invested in cash or cash equivalents, money market instruments and money market funds (including money market funds managed by the Company's investment adviser or its affiliates). Therefore, from the Liquidation Date, the liquidation operations may at any time result in the Fund's portfolio being no longer exposed to the strategy as set out in section 1.2 "*Investment Objectives and*

Policies" of the Prospectus and/or diversified in accordance with UCITS risk diversification requirements as a result of the liquidation operations.

On the Effective Date, payment for your redeemed shares will be made by the Company, in the relevant Reference Currency of the Fund or of the Hedged Share Class, if applicable, in one or several installments, within the applicable time limit as set forth in the Prospectus. Upon payment of the redemption price, you shall have no further interest in the Fund, or any claim against the Company or its assets in respect thereof.

If the completion of the liquidation is delayed, in particular in case of less liquid assets, the payment of an interim payment may be made as soon as reasonably practicable following the Effective Date and which shall be based on the portion of cash available after deduction of the outstanding liabilities and/or of the relevant provisions, the exact amount being to be confirmed in due time by the Board. To the knowledge of the Board, there is no illiquid asset in the Fund's portfolio as of the date of this notice.

Shareholders' right to redeem or convert their shares is not affected by this decision, and Shareholders may redeem or convert their shareholding in accordance with the terms of the Prospectus up to 1 pm CET on 29 July 2021 (Effective Date minus five (5) Luxembourg business days) (the "**Cut-Off Time**"). Any applications for a conversion or redemption received before that day will be processed free of charge in accordance with the terms and procedures set out under sections 2.3 "*Redemption of Shares*" and 2.4 "*Conversion of Shares*" of the Prospectus. Contingent Deferred Sales Charges, if applicable, will be waived in relation to redemptions made after the date of this notice.

The Fund will be closed to redemption and conversion as from the Cut-Off Time. Subscriptions and conversion applications into the Fund are no longer accepted as from the Liquidation Date.

In order to treat Shareholders fairly during the period prior to the Effective Date, the threshold for the application of swing pricing will be reduced to zero with effect from the date of this notice. This means that all future redemptions from, and conversions out of, the Fund will be subject to swing pricing. Swing pricing is the mechanism used by the Company to take into account the estimated dealing spreads and costs and charges incurred by the Fund in liquidating investments to meet redemptions and conversions. This is intended to ensure that all Shareholders bear a proportionate share of the costs of liquidating the Fund's investments and those costs are not all borne by those Shareholders who remain invested until the Effective Date.

Liquidation costs, other than the costs of realising the Fund's investments, will be borne by the Management Company.

As provided for by Luxembourg law, at the close of liquidation, the proceeds of the liquidation corresponding to shares not surrendered for repayment will be kept in safe custody at the "*Caisse de Consignation*" until the statute of limitation has lapsed.

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 is 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 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.

Luxembourg, 5 July 2021

On behalf of the Company

MSIM FUND MANAGEMENT (IRELAND) LIMITED