

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, 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 SHAREHOLDERS**

Luxembourg, 14 April 2022

Dear shareholder,

We are writing to you as a holder of shares in one or more funds of the Company (each a "**Fund**" and collectively, the "**Funds**").

The board of directors of the Company (the "**Board**") would like to inform you of a restructuring of the Company's depository and central administration agent, which took effect on 22 January 2022, and has decided to proceed with some amendments to the prospectus of the Company (the "**Prospectus**") as disclosed below.

**I. Merger of J.P. Morgan Bank Luxembourg S.A.**

As part of the implementation of the J.P. Morgan legal entity strategy in Europe, J.P. Morgan Bank Luxembourg S.A. was merged into J.P. Morgan AG on 22 January 2022 (the "**Merger Date**") which at the same time changed its legal form from a German Stock Corporation (*Aktiengesellschaft*) to a European Company (*Societas Europaea*), being J.P. Morgan SE.

Since the Merger Date, J.P. Morgan SE continues to carry out the depository and the administrator and paying agent functions (as applicable) through J.P. Morgan SE, Luxembourg Branch.

There will be no additional costs as a result of this change.

Following the above changes, paragraphs "*The Depository*", "*The Administrator and Paying Agent*" in section 3.1 "*General Information*" as well as the list of service providers of the Company in Appendix E "*List of sub-custodians used by the Depository and sub-delegates that may arise from any delegation of the Depository's duties*" have been amended in the Prospectus.

For further information on the merger, please refer to the product notice which is available on [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com) and on [www.morganstanley.com/im](http://www.morganstanley.com/im).

**II. Cross-border distribution of collective investment undertakings**

Following the implementation of the Directive (EU) 2019/1160 of the European Parliament and of the Council of 20 June 2019, amending the Directive 2009/65/EC and 2011/61/EU with regard to cross-border distribution of collective investment undertakings (the "**CBDF Directive**"), Member States shall ensure that a UCITS makes available, in each Member State where it intends to market its units, facilities to perform the tasks listed under article 92 of Directive 2009/65/EC. In order to comply with such new requirements, the Company has appointed different entities in the various Member States of the European Union to render these tasks. The exhaustive list of (i) the tasks to be rendered and (ii) the entities in charge of rendering such tasks is set out in a new "*Appendix F - Facilities Agents and Services*" to the Prospectus and is also available on the following website: [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com).

**III. Changes applicable to specific Funds in relation to ESG considerations**

On 27 November 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector was published (the “**SFDR**”). The SFDR aims to increase the harmonization of, and transparency towards the end investors with regard to, the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics and sustainable investment by requiring pre-contractual and ongoing disclosures to end investors.

The SFDR provides high-level definitions and distinguishes between several categorisations of products including “article 8 products” which are financial products that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices (“**SFDR Article 8 Products**”) and “article 9 products” which are products that have sustainable investment as their objective (“**SFDR Article 9 Products**”).

- **Changes to Morgan Stanley Investment Funds Asia Opportunity Fund and Morgan Stanley Investment Funds Global Opportunity Fund**

The Board has resolved to amend the investment policies of Morgan Stanley Investment Funds Asia Opportunity Fund and Morgan Stanley Investment Funds Global Opportunity Fund.

The investment policies will be amended, as detailed in **Appendix 1**, in order to classify as SFDR Article 8 Products.

- **Changes to Morgan Stanley Investment Funds US Advantage Fund and Morgan Stanley Investment Funds US Growth Fund**

The Board has resolved to amend the investment policies of Morgan Stanley Investment Funds US Advantage Fund and Morgan Stanley Investment Funds US Growth Fund.

The investment policies will be amended, as detailed in **Appendix 2**, in order to classify as SFDR Article 8 Products.

- **Changes to Morgan Stanley Investment Funds Global Brands Fund**

The Board has resolved to amend the investment policy of Morgan Stanley Investment Funds Global Brands Fund.

The investment policy will be amended in order to classify as an SFDR Article 8 Product. The amended investment policy shall read as detailed in **Appendix 3** (new wording is in bold and the wording to be removed is struck through).

\*\*\*\*

The above-mentioned changes listed under III. will be effective as from 16 May 2022 and are included in the version of the Prospectus dated March 2022. The changes will be included in the version of the product key facts statements (the “**KFS**”) of the relevant Funds as soon as reasonably practicable. The list of share classes impacted by these changes is available in **Appendix 4**.

The above-mentioned changes do not amount to material changes to the above Funds. The changes are an elaboration of the existing investment objective, strategy, policy and process of the Funds pursuant to the SFDR as required by the Commission de Surveillance du Secteur Financier (the “**CSSF**”). There is no material change or increase in the overall risk profile of the Funds and the changes do not have any material adverse impact on the rights or interests of the holders of the Funds.

#### **Your options**

1. If you agree to the changes, you do not need to take any action. The changes will automatically come into effect for the above-mentioned Funds as from 16 May 2022.

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

a) Convert your Shares into another Fund. Any applications for conversion must be received by 1 pm CET on 13 May 2022 and be made in accordance with Section 2.4 “*Conversion of Shares*” of the Prospectus. Please ensure that you read the KFS for any Fund 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 13 May 2022.

Conversions or redemptions will be processed free of charge, with the exception of any applicable Contingent Deferred Sales Charges (“**CDSC**”), 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.

\*\*\*\*

#### **IV. Other changes applicable to all Funds**

- **Clarification of the “Real Estate Industry” risk factor**

The Board has resolved to clarify the “Real Estate Industry” risk factor by amending Section 1.5 “*Risk Factors*” of the Prospectus, in order to align it with the amendments listed under point V. “*Clarifications and other changes applicable to specific Funds*” of this notice.

- **Amendment of the “Anti-Dilution Measures” disclosures**

The Board has resolved to amend the “Anti-Dilution Measures” disclosures contained in Sections 2.2 “*Issue of Shares, Subscription and Payment Procedure*” and 2.3 “*Redemption of Shares*” of the Prospectus, in order to clarify and simplify these disclosures.

There is no change to the operation and/or manner in which the Funds are being managed, and shareholders will continue to be informed of any decision to temporarily increase the adjustment limit of the Swing Factor as disclosed in the Prospectus as required by the CSSF by virtue of a notice placed on the Fund’s website when such increased Swing Factor limit is in place.

- **Amendment of the “The Management Company” disclosures**

The Board has resolved to clarify the “The Management Company” disclosures contained in Section 3.1 “*General Information*” of the Prospectus, in order to clarify the existing delegation arrangement by the Management Company, Investment Adviser and Sub-Advisers.

There is no change to the operation and/or manner in which the Funds are being managed or the fee level/cost in managing the Funds.

\*\*\*\*

The above-mentioned changes listed under IV. are included in the version of the Prospectus dated March 2022.

The above-mentioned changes do not amount to material changes to the Funds. There is no change to the existing investment objective, strategy or policy of the Funds or to the operation and/or manner in which the Funds are being managed. There is no material change or increase in the overall risk profile of the Funds and the changes do not have any material adverse impact on the rights or interests of the holders of the Funds.

\*\*\*\*

**V. Clarifications and other changes applicable to specific Funds**

- **Clarification of the investment policies of Morgan Stanley Investment Funds Asian Property Fund and Morgan Stanley Investment Funds US Property Fund**

The Board has resolved to amend the investment policies of Morgan Stanley Investment Funds Asian Property Fund and Morgan Stanley Investment Funds US Property Fund (together, the “**Property Funds**”) in order to move reference to the fees of underlying funds to the risk factor “Real Estate Industry” in Section 1.5 “*Risk Factors*” of the Prospectus for all Property Funds, and, for Morgan Stanley Investment Funds US Property Fund, additionally in order to move some tax related disclosures to the risk factor “Real Estate Industry” of Section 1.5 “*Risk Factors*” of the Prospectus.

- **Changes to the expected gross leverage of Morgan Stanley Investment Funds Global Bond Fund**

The Board has resolved to amend the expected gross leverage of Morgan Stanley Investment Funds Global Bond Fund from 200% to 100% as disclosed in Section 1.3 “*Methodology for Calculating the Global Exposure*” of the Prospectus. There is no change to the Fund’s net derivative exposure which is not more than 50% of the Fund’s net asset value.

- **Changes to the benchmark name of Morgan Stanley Investment Funds Global Bond Fund**

The name of the benchmark against which Morgan Stanley Investment Funds Global Bond Fund measures its performance has been amended by the benchmark provider from “Bloomberg Barclays Global Aggregate Index” to “Bloomberg Global Aggregate Index”. There is no change to the benchmark against which the Fund measures its performance.

\*\*\*\*

The clarifications and non-material changes listed under V. are included in the version of the Prospectus dated March 2022.

The above-mentioned changes do not amount to material changes to the above Funds. The changes are a clarification and/or elaboration on the existing investment objective, strategy or policy of the Funds. There is no material change or increase in the overall risk profile of the Funds and the changes do not have any material adverse impact on the rights or interests of the holders of the Funds.

\* \*  
\*

The changes described in this notice will not give rise to additional costs and expenses implications (other than costs associated with update of the Prospectus and KFS, which will be borne by the management company of the Company, MSIM Fund Management (Ireland) Limited).

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 revised Hong Kong Prospectus and the relevant KFS will be available to investors, free of charge, at the Hong Kong Representative, Morgan Stanley Asia Limited’s office (contacts are set out below).

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. Hong Kong residents who require further information, please contact Morgan Stanley Asia Limited, of Floor 41, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or on (852) 2848 6632.

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 Morgan Stanley Investment Funds Asia Opportunity Fund and Morgan Stanley Investment Funds Global Opportunity Fund's investment policy:

The following sentence will be added at the beginning of (i) the seventh paragraph of the investment policy of Morgan Stanley Investment Funds Asia Opportunity Fund, and (ii) the sixth paragraph of the investment policy of Morgan Stanley Investment Funds Global Opportunity Fund:

*"The Investment Adviser employs a holistic approach to ESG within its company quality assessment by analyzing potential impacts to humanity's health, environment, liberty and productivity and corporate governance practices to ensure agency, culture and trust."*

The following paragraphs will be added after (i) the seventh paragraph of the investment policy of Morgan Stanley Investment Funds Asia Opportunity Fund, and (ii) after the sixth paragraph of the investment policy of Morgan Stanley Investment Funds Global Opportunity Fund:

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

- **tobacco** (securities of issuers classified as Global Industry Classification Standard ("GICS") sub-industry tobacco, or generate 10% or more of revenue from the manufacture of tobacco products);
- **coal mining** (securities of issuers classified as GICS sub-industry coal & consumable fuels, or generate 10% or more of revenue from the mining and extraction of thermal coal);  
or
- weapons, including **civilian firearms** (securities of issuers that generate 10% or more of revenue from the manufacture or production of civilian firearms or ammunition) and **cluster munitions and anti-personnel mines** (securities of issuers that manufacture, produce or distribute cluster munitions or anti-personnel landmines).

*The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website ([www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com) and on [www.morganstanley.com/im](http://www.morganstanley.com/im)). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com) and on [www.morganstanley.com/im](http://www.morganstanley.com/im). Investments that are held by the Fund but become restricted 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 Taxonomy Regulation disclosure in the investment policies of the above mentioned Funds will be amended and will read as follows:

*"In light of the Taxonomy Regulation, investors' attention is drawn to the fact that the "Do No Significant Harm" principle does not apply to any of the investments of the Fund, since the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation."*

## Appendix 2

Amendments to Morgan Stanley Investment Funds US Advantage Fund and Morgan Stanley Investment Funds US Growth Fund's investment policy:

The last sentence of the fourth paragraph of the investment policy of Morgan Stanley Investment Funds US Advantage Fund and Morgan Stanley Investment Funds US Growth Fund will be deleted.

The following paragraphs will be added after the fourth paragraph of the investment policy of Morgan Stanley Investment Funds US Advantage Fund and Morgan Stanley Investment Funds US Growth Fund:

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

- **tobacco** (securities of issuers classified as Global Industry Classification Standard ("GICS") sub-industry tobacco, or generate 10% or more of revenue from the manufacture of tobacco products);
- **coal mining** (securities of issuers classified as GICS sub-industry coal & consumable fuels, or generate 10% or more of revenue from the mining and extraction of thermal coal); or
- **weapons, including civilian firearms** (securities of issuers that generate 10% or more of revenue from the manufacture or production of civilian firearms or ammunition) and **cluster munitions and anti-personnel mines** (securities of issuers that manufacture, produce or distribute cluster munitions or anti-personnel landmines).

*The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website ([www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com) and on [www.morganstanley.com/im](http://www.morganstanley.com/im)). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com) and on [www.morganstanley.com/im](http://www.morganstanley.com/im). Investments that are held by the Fund but become restricted 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 Taxonomy Regulation disclosure in the investment policies of the above mentioned Funds will be amended and will read as follows:

*"In light of the Taxonomy Regulation, investors' attention is drawn to the fact that the "Do No Significant Harm" principle does not apply to any of the investments of the Fund, since the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation."*

### Appendix 3

Morgan Stanley Investment Funds Global Brands Fund's investment policy:

The Global Brands Fund's investment objective is to seek an attractive long term rate of return, measured in US Dollars, through investment primarily in equity securities of companies in the world's developed countries. The Fund will invest in a concentrated portfolio of companies whose success the Company believes depends on intangible assets (for example, but not limited to, brand names, copyrights or methods of distribution) underpinning a strong business franchise.

The Fund may also invest, on an ancillary basis in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities to gain exposure to companies in developed and emerging markets, as well as equity securities of emerging market companies and China A-Shares via Stock Connect. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund will limit the use of derivatives to hedging purposes only.

#### **Investment restrictions:**

- **The Fund will apply climate-related restrictions to exclude investments in any company that the Investment Adviser determines:**
  - have any tie to fossil fuels (such as oil, gas and coal); or
  - whose core business activity involves energy, construction materials, utilities (excluding renewable electricity and water utilities), metals and mining.
- **In addition, the Fund shall not knowingly include any company:**
  - whose core business activity involves weapons or civilian firearms; or
  - that has been excluded from the MSCI World ex Controversial Weapons Index due its involvement with controversial weapons, as defined by that index.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website ([www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com) and on [www.morganstanley.com/im](http://www.morganstanley.com/im)). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on [www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com) and on [www.morganstanley.com/im](http://www.morganstanley.com/im). Investments that are held by the Fund but become restricted under either the first or second bullet point 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.

#### **Investment process:**

The Fund's investment process focuses on high quality companies with sustainably high returns on operating capital. As an essential and integrated part of the investment process, the Investment Adviser assesses relevant factors material to long-term sustainably high returns on operating capital including ESG factors and seeks to engage with company management teams as part of this. Subject to the Fund's investment objective the Investment Adviser retains discretion over which investments are selected. Whilst ESG considerations are an integrated and fundamental part of the investment process, ESG factors are not the sole determinant of whether an investment can be made or a holding can remain in the Fund's portfolio, but instead the Investment Adviser considers material risks or opportunities in any of the ESG areas which could threaten or enhance the high returns on operating capital of a company.

**The Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening that the Investment Adviser sources from third party providers, including UN Global Compact violations, as well as its own engagement with company management and research. The Investment Adviser reviews securities of issuers where it believes a significant breach of the above standards and principles has occurred and typically excludes such issuers where, after conducting our research and/or engagement, the Investment Adviser believes the breach is material to the sustainability of returns on operating**



capital, poses significant financial and reputational risk and the issuer has not committed to appropriate remedial action. Such exclusions are determined by the Investment Adviser in its discretion rather than by reliance on third party analysis. The analysis may be supported by third party ESG controversies analysis and business involvement metrics.

The Fund is actively managed and is not designed to track a benchmark. The management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is compared against a benchmark as detailed in the Fund's key investor information document. **In the context of the Fund's ESG integration, the Investment Adviser uses the MSCI World ex Controversial Weapons Index for the purpose of determining the companies involved with controversial weapons the Fund will not invest in.**

Taxonomy Regulation disclosure

~~The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.~~ **In light of the Taxonomy Regulation, investors' attention is drawn to the fact that the "Do No Significant Harm" principle does not apply to any of the investments of the Fund, since the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.**

Profile of the typical investor

In light of the Global Brands Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity 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 4

The ISIN numbers listed in the table below are correct as of 29 March 2022. We recommend that you visit the Company's website ([www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com)) for most up-to-date information.

Share classes	ISIN numbers	
<b>Morgan Stanley Investment Funds Asia Opportunity Fund</b>	A	LU1378878430
	AH (EUR)	LU1378879248
	C	LU1808492620
	CH (EUR)	LU1808492893
<b>Morgan Stanley Investment Funds Global Brands Fund</b>	A	LU0119620416
	AH (EUR)	LU0335216932
	AHX (EUR)	LU0552899998
	AX	LU0239683559
	C	LU0176160306
	CH (EUR)	LU0404214834
<b>Morgan Stanley Investment Funds Global Opportunity Fund</b>	A	LU0552385295
	AH (EUR)	LU0552385618
	C	LU0552385451
	CH (EUR)	LU1808493511
<b>Morgan Stanley Investment Funds US Advantage Fund</b>	A	LU0225737302
	AH (EUR)	LU0266117927
	C	LU0362496845
	CH (EUR)	LU0404214917
<b>Morgan Stanley Investment Funds US Growth Fund</b>	A	LU0073232471
	AH (EUR)	LU0266117414
	AX	LU0239688517
	C	LU0176155215
	CH (EUR)	LU0845089423