

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, 8 May 2020

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 has decided to proceed with some amendments to the prospectus of the Company (the "Prospectus") as disclosed below.

I. Amendments applicable to specific Funds

• **Change of benchmarks of certain Funds**

The Board has resolved to change the benchmarks of certain Funds as follows:

Fund	Current benchmark(s)	New benchmark	Rationale
Emerging Markets Fixed Income Opportunities Fund	JP Morgan Government Bond Index – Emerging Markets Global Diversified JP Morgan Emerging Markets Bond Index Global JP Morgan Corporate Emerging Markets Bond Index – Broad Diversified	JP Morgan Emerging Markets Aggregate Index which is an equally weighted index of JP Morgan Emerging Market Bond Index Global Diversified, JP Morgan Corporate Emerging Market Bond Index Broad Diversified and JP Morgan Government Bond Index –Emerging Markets Global Diversified Index	Following the launch of the Fund JP Morgan have launched a publically available version of the blended benchmark. The change of the benchmark is to support investors in comparing the Fund performance characteristics.
Emerging Markets Debt Fund	JP Morgan Emerging Markets Bond Index Global	JP Morgan Emerging Market Bond Index Global Diversified	To align the Fund with the competitors in this asset class in the market.

• **Amendment to the Dealing Days for Japanese Equity Fund**

The Board has resolved to amend the dealing days, as referred to in the investment policy of Japanese Equity Fund so as to consider as "non-dealing days" dates (i) on which Japan Exchange

Group markets are closed for trading and settlement or (ii) the Directors, in consultation with the Investment Adviser, have determined in their absolute discretion. Please note that such change may have impacts on:

- the subscription / redemption / conversion applications;
- the payment for Shares redeemed; and
- the calculation of the Net Asset Value per Share.

Since the Fund primarily invests in Japanese Equities, the amendment has been made in order to align the dealing days of the Fund with the Japan Exchange Group markets holiday calendar. The list of expected “non-dealing days” will be available on the Company’s website (www.morganstanleyinvestmentfunds.com) and will be updated in advance, at least semi-annually. However, the list may be further updated from time to time in the presence of exceptional circumstances where the Directors believe that it is in the best interests of the Shareholders of the Fund.

- **Amendment to the investment policy regarding investment in China A-Shares via Stock Connect for Global Opportunity Fund**

The Board has resolved to amend the investment policy of the Global Opportunity Fund in order to increase its investment in China A-Shares via Stock Connect from up to 10% to up to 20% of its net assets.

While the overall risk profile of the Fund will not change due to the change in the investment policy, investors should also note the risk factors associated with Stock Connect in the Prospectus.

- **Amendment to the investment policy on investments in UCITS/UCIs for certain Funds**

The Board has resolved to amend the investment policy of each of the following Funds to add that each of these Funds may invest to a limited extent in open-ended ETFs provided that any ETFs are eligible investments for UCITS funds (for all Funds listed below):

- Emerging Markets Corporate Debt Fund;
- Emerging Markets Debt Fund;
- Emerging Markets Domestic Debt Fund;
- Euro Bond Fund; and
- Global Convertible Bond Fund.

In addition, the investment policy of the Global Bond Fund will be amended to indicate that it may invest to a limited extent in (i) units/shares of other collective investment schemes, including the Company’s Funds and (ii) open-ended ETFs provided that any ETFs are eligible investments for UCITS funds

The addition of the new languages will not affect the investment process, strategy or underlying exposure of the Funds but will rather offer additional routes to the targeted market exposure.

- **Raise of the maximum level of net assets of the Global Multi-Asset Opportunities Fund which may be subject to total return swaps**

The Board has resolved to raise the maximum level (in % of total assets) of the Global Multi-Asset Opportunities Fund which may be subject to total return swaps from 78% to 170%.

In 2017 the name of the Fund and the investment strategy changed. Due to the strategy change the Fund became more volatile. However, the maximum level of net assets of the Fund which may be subject to total return swaps remained static at 78%. In order to provide greater flexibility and due to the use of both fixed income and equity total return swaps following the strategy change the maximum level is to be increased to 170%.

The above-mentioned changes listed under I. will be effective as of 8 June 2020 and are included in the version of the Prospectus dated April 2020.

Your options

1. If you agree to the changes, you do not need to take any action. The changes will automatically go into effect for the above-mentioned Funds as of 8 June 2020.

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 5 June 2020 and be made in accordance with section 2.4 "Conversion of Shares" of the Prospectus. Please ensure that you read the Key Investor Information Document (KIID) 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 5 June 2020.

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.

II. Clarifications applicable to all Funds

- **Clarification of the investment policy of all Funds regarding ancillary investment universe**

Section 1.2 "*Investment Objectives and Policies*" of the Prospectus has been amended in order to clarify that the investment objectives and strategies of the Funds may not exhaustively disclose all ancillary eligible investments under the 2010 Law that the Funds may hold, provided such eligible investments do not exceed 5% of the net assets of the Funds.

- **Clarification of the investments in China A-Shares via Stock Connect**

Section 1.5 "*Risk Factors*" of the Prospectus has been amended in order to clarify that the investments in China A-Shares via Stock Connect for the relevant Funds may include eligible securities from the SME Board and ChiNext.

Under Stock Connect, Shenzhen Stock Exchange (the "**SZSE**") securities that are eligible for trading by overseas investors include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalization of not less than RMB 6 billion, and all the SZSE-listed A shares which have corresponding H shares listed on the Stock Exchange of Hong Kong Limited (subject to certain exceptions). This includes ChiNext stocks which refer to stocks listed on the ChiNext and the SME Board of SZSE which are eligible for trading under the Northbound Stock Connect Trading Link.

The clarifications listed under II. are included in the version of the Prospectus dated April 2020.

III. Clarifications applicable to specific Funds

• **Change of name of the Global Counterpoint Fund**

The Board has resolved to change the name of the Global Counterpoint Fund as follows:

Current name	New name
Global Counterpoint Fund	Counterpoint Global Fund

The clarification listed under III. will be effective as of 15 May 2020 and is included in the version of the Prospectus dated April 2020.

* *
*

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 Key Investor Information Document 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

On behalf of the Company

MSIM FUND MANAGEMENT (IRELAND) LIMITED