

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT,  
PLEASE SEEK PROFESSIONAL ADVICE**

**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  
THE US VALUE FUND**

Luxembourg, 27 November 2023

Dear shareholder,

We are writing to you as a holder of shares in Morgan Stanley Investment Funds US Value Fund, a fund of the Company (the "**Fund**").

The board of directors of the Company (the "**Board**") has decided to amend the investment policy of the Fund as disclosed below.

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 (the "**SFDR**") was published. 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**").

In this context, the Board has resolved to amend the investment policy of the Fund in order to classify it as an SFDR Article 8 Product. The amendments to the investment policy include that the Investment Adviser, in making investment decisions for the Fund, will actively integrate sustainability into the investment process by assessing key environmental, social and governance ("**ESG**") factors. The Investment Adviser will also apply exclusions in respect of certain companies. Such amendments mean that the Fund will be reclassified as an SFDR Article 8 Product (as defined below). It is not anticipated there will be a material turnover to the portfolio holdings of the Fund as a result of these changes.

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). Furthermore, the full ESG strategy of the Fund will be described in an annex dedicated to the Fund, in Appendix L of the Prospectus dated November 2023.

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

**Your options**

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

2. If you disagree with the amendments 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 US Value Fund's investment objective is to seek long term capital growth, by investing in a broadly diversified selection of transferable equity securities, emphasizing common stocks of leading companies the Investment Adviser believes have been systematically mispriced by the market. Value stocks are common stocks that the Investment Adviser believes are inexpensive relative its estimates of the intrinsic value of the business.*

*The Fund will invest primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of companies Located in the US.*

*The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, Fixed Income Securities, warrants on securities, Cash Equivalents and other equity linked securities.*

*The Investment Adviser of the Fund employs a bottom-up, research-driven and value-oriented approach that seeks to identify pricing anomalies that occur due to fundamental factors that are perceived to be temporary and not permanent. In selecting securities, the Fund focuses mainly on U.S. issuers with attractive valuations and sound business fundamentals. The Investment Adviser also considers how constructing the portfolio and purchasing or selling an investment impacts the overall portfolio's risk profile (for example, the portfolio's beta relative to its benchmark and each economic sector, its standard deviation of return, its active share and tracking error, as well as how its tracking error is composed on an industry and stock level).*

*In addition to the above, in making investment decisions, the Investment Adviser **actively will** integrates **sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process, primary by leveraging. ~~The Investment Adviser utilizes~~ the extensive proprietary ESG research generated by **Calvert Research and Management, a Morgan Stanley its affiliate, Calvert, in evaluating investments.** The Investment Adviser may consider financially material ESG factors as part of the Fund's securities selection process. Such financially material factors comprise Sustainability Risks or opportunities likely to affect the financial condition or performance of the issuer over a long term investment horizon and may include, without limitation, business ethics, energy use, energy efficiency and renewable energy, workplace diversity, climate change, data security and workplace safety.***

*The Investment Adviser believes that corporate governance practices of issuers have a direct impact on business performance and results produced by those issuers and incorporating companies' ESG behaviours into investment decisions provides a more comprehensive, holistic approach to investing that the Investment Adviser believes can enhance both stock selection and risk-adjusted returns over the long term. **While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.***

**Investments shall not knowingly include any company whose primary business activity in any of the following is more than the below displayed threshold:**

- **Revenue from Tobacco > 5%**
- **Revenue from Gambling > 5%**
- **Revenue from Civilian Firearms > 0%**
- **Controversial Weapons Tie: None**
- **Revenue from Coal Mining > 0%**
- **Revenue from Arctic Drilling > 0%**
- **Revenue from Nuclear Power > 25%**
- **White Phosphorus > 0%**

**Investments shall not knowingly include the following companies:**

- **Companies that fail to comply with the UN Global Compact, without material remediation and improvement. When a company screens that they have failed to comply, the Investment Adviser will do further due diligence to determine if a path to remediation is in place, or if the company has no plan in place. If no plan is in place, the company will be excluded.**

**Investments that are held by the Fund but become restricted under the exclusions listed 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 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 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. Therefore, the management of the Fund is not constrained by the composition of 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.**

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

**~~investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.~~**

*Profile of the typical investor*

*In light of the US Value Fund's investment objective it may be appropriate for investors who:*

- *seek to invest in equity securities;*
- *seek capital appreciation over the long 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](http://www.morganstanleyinvestmentfunds.com)) for most up-to-date information.

Share classes	ISIN numbers	
<b>Morgan Stanley Investment Funds US Value Fund</b>	A	LU2535286996
	AH (EUR)	LU2535287028
	AH (GBP)	LU2535287291
	C	LU2535287374
	I	LU2535287457
	IH (EUR)	LU2535287531
	J	LU2643318467
	N	LU2620975529
	NH (EUR)	LU2620975792
	Z	LU2535287614