



MS INVF Global Balanced Income Fund 2023: Target Income Level

MARKETING COMMUNICATION | CUSTOM SOLUTIONS | GLOBAL BALANCED RISK CONTROL TEAM | NOTICE | 31 January 2023

The investment objective of the Morgan Stanley Investment Funds (MS INVF) Global Balanced Income Fund (the “Fund”) is to provide regular income and capital appreciation, through investing primarily in a portfolio of transferable securities and money market instruments globally and through the use of financial derivative instruments.

On an annual basis, we provide an estimate of the income level for the following calendar year. The income generated for the Fund has three components: 1.) the income from dividends and coupons received from the Fund’s fixed income and equity investments; 2.) an enhanced income stream derived from selling liquid put options on three major equity indices. The premium income derived from selling put options is primarily driven by the implied volatility of these instruments and; 3.) for non-base currency share classes e.g. US dollar, Australian dollar and Pound sterling, the interest rate differential between the non-base currency and the base (euro) currency. Having reviewed the prevailing volatility environment, we estimate for the following currency share classes an anticipated annual income level for 2023:

Share class currency	Estimated annual income for 2023
Euro	5.0%
US dollar	6.0%
Australian dollar	5.5%
Pound sterling	6.0%

This income is an estimate only and actual income may vary; lower or higher levels of income may be achieved. Income generation from any source is not guaranteed and depends, inter alia, on market conditions and the performance of individual investments held in the Fund.

Different share classes have different distribution policies. This is likely to affect the level of income distributed on different share classes and whether some distribution of capital alongside income may

be made. Shares with the sub-indicator “R” (such as Class AR or BR) may distribute capital as well as income and depending on the level of income and distributions made, product expenses may be charged to capital. For more information about the distribution policy and risks associated with different share classes please refer to the Fund’s prospectus and the Key Information Document (“KIDs”) or KIIDs.

The income estimate is reviewed at least annually, is indicative only and not guaranteed. When income for any share class is paid from capital, or expenses are charged to capital, the result will be a reduction of the capital that the Fund has available for investment for that share class. There can be no assurance that the Fund will achieve its objectives.

RISK CONSIDERATIONS

- The value of bonds are likely to decrease if interest rates rise and vice versa.
- The value of financial derivative instruments are highly sensitive and may result in losses in excess of the amount invested by the Sub-Fund.
- Issuers may not be able to repay their debts, if this happens the value of your investment will decrease. This risk is higher where the fund invests in a bond with a lower credit rating.
- The fund relies on other parties to fulfil certain services, investments or transactions. If these parties become insolvent, it may expose the fund to financial loss.
- There may be an insufficient number of buyers or sellers which may affect the funds ability to buy or sell securities.
- There are increased risks of investing in emerging markets as political, legal and operational systems may be less developed than in developed markets.
- The derivative strategy aims to increase the income paid to investors, but there is potential for the fund to suffer losses.
- **Past performance is not a reliable indicator of future results.** Returns may increase or decrease as a result of currency fluctuations. The value of investments and the income from them can go down as well as up and investors may lose all or a substantial portion of his or her investment.
- The value of the investments and the income from them will vary and there can be no assurance that the Fund will achieve its investment objectives.
- Investments may be in a variety of currencies and therefore changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Furthermore, the value of investments may be adversely affected by fluctuations in exchange rates between the investor’s reference currency and the base currency of the investments.

DISTRIBUTION

This communication is only intended for and will only be distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations. In particular, the Shares are not for distribution to US persons.

This is a marketing communication. Applications for shares in the Fund should not be made without first consulting the current Prospectus, and the Key Information Document (KID) also known as PRIIPs (Packaged Retail and Insurance-based Investment Products), the or Key Investor Information Document (“KIID”), or other applicable offering documents, which are

available in English and in the official language of your local jurisdiction at morganstanleyinvestmentfunds.com or free of charge from the Registered Office of Morgan Stanley Investment Funds, European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxemburg B 29 192.

Information in relation to sustainability aspects of the Fund and the summary of investor rights is available at the aforementioned website.

If the management company of the relevant Fund decides to terminate its arrangement for marketing that Fund in any EEA country where it is registered for sale, it will do so in accordance with the relevant UCITS rules.

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COLOMBIA. This document does not constitute an invitation to invest or a public offer in the Republic of Colombia and is not governed by Colombian law. The interests in the Fund have not been and will not be registered with the National Register of Securities and Issuers (el Registro Nacional de Valores y Emisores) maintained by the Financial Supervisory Authority of Colombia (la Superintendencia Financiera de Colombia) and will not be listed on the Colombian Stock Exchange (la Bolsa de Valores de Colombia). The interests in the Fund are being offered under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. The offer of the interests in the Fund is addressed to fewer than one hundred specifically identified investors. Accordingly, the interests in the Fund may not be marketed, offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. This document is provided at the request of the addressee for information purposes only and does not constitute a solicitation. The interests in the Fund may not be promoted or marketed in Colombia or to Colombian residents unless such promotion and marketing is carried out in compliance with Decree 2555 of 2010 and other applicable rules and

regulations related to the promotion of foreign financial and securities related products or services in Colombia.

Colombian eligible investors acknowledge that the interests in the Fund (i) are not financial products, (ii) are transferable only in accordance with the terms of the Fund's constitutional documents and (iii) do not offer any principal protection.

Colombian eligible investors acknowledge Colombian laws and regulations (in particular, foreign exchange, securities and tax regulations) applicable to any transaction or investment consummated in connection with an investment in the Fund, and represent that they are the sole liable party for full compliance with any such laws and regulations. In addition, Colombian investors acknowledge and agree that the Fund will not have any responsibility, liability or obligation in connection with any consent, approval, filing, proceeding, authorization or permission required by the investor or any actions taken or to be taken by the investor in connection with the offer, sale or delivery of the interests in the Fund under Colombian law.

MEXICO. Any prospective purchaser of the interests in the Fund must be either an institutional investor (inversionista institucional) or a qualified investor (inversionista calificado) within the meaning of the Mexican Securities Market Law (Ley del Mercado de Valores) (the "Securities Market Law") and other applicable Mexican laws in effect.

The interests in the Fund have not and will not be registered in the National Registry of Securities (Registro Nacional de Valores) maintained by the Mexican Banking and Securities Commission (Comisión Nacional Bancaria y de Valores). The interests in the Fund may not be offered or sold in the United Mexican States by any means except in circumstances which constitute a private offering pursuant to Article 8 of the Securities Market Law and its regulations. No Mexican regulatory authority has approved or disapproved the interests in the Fund or passed on the solvency of the Fund. All applicable provisions of the Securities Market Law must be complied with in respect of any sale, offer or distribution of, or intermediation in respect of, the Fund interests in, from or otherwise involving Mexico, and any resale of the interests in the Fund within Mexican territory must be made in a manner that will constitute a private offering pursuant to Article 8 of the Securities Market Law and its regulations.

PERU. The interests in the Fund have not been and will not be registered in Peru under Decreto Legislativo 862: Ley de Fondos de Inversión y sus Sociedades Administradoras or under Decreto Legislativo 861: Ley del Mercado de Valores (the "Securities Market Law"), and are being offered to institutional investors only (as defined in article 8 of the Securities Market Law) pursuant to a private placement, according to article 5 of the Securities Market Law. The interests in the Fund have not been registered in the securities market public registry (Registro Público del Mercado de Valores) maintained by, and the offering of the Fund interests in Peru is not subject to the supervision of, the Superintendencia del Mercado de Valores. Any transfers of the Fund interests shall be subject to the limitations contained in the Securities Market Law and the regulations issued thereunder.

URUGUAY. The offering of the Interests qualifies as a private placement pursuant to section 2 of Uruguayan law

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The use of leverage increases risks, such that a relatively small movement in the value of an investment may result in a disproportionately large movement, unfavourable as well as favourable, in the value of that investment and, in turn, the value of the Fund.

Investment in the Fund concerns the acquisition of units or shares in a fund, and not in a given underlying asset such as building or shares of a company, as these are only the underlying assets owned.

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