A Sub-Fund of Morgan Stanley Investment Funds

European High Yield Bond

HIGH YIELD TEAM

Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this UCITS presents disproportionate communication on the consideration of extra-financial criteria in its management.

Performance Review

In the one month period ending 31 December 2025, the Fund's Z shares returned 0.52% (net of fees)[1], while the benchmark returned 0.38%.

Telecommunications and gaming were the Fund's top-performing sectors relative to the benchmark in December. Relative outperformance in telecommunications was driven by favourable credit selection and an underweight position. The primary individual contributor was selection within the capital structure of a multinational telecommunications and mass media company. The company moved assets to outside of the restricted group as a first step in a coercive liability management exercise. The issuer's secured bonds, which is the Fund's only exposure to the issuer, outperformed the unsecured bonds, which performed poorly after the news. In gaming, relative outperformance was driven by sound credit selection and was led by an overweight position in a Greek-based administrator of lottery and sports betting platforms. The company recently released its 2026 fiscal year guidance, which was better than expected.

Diversified financial services and homebuilders & real estate were the Fund's worst-performing sectors relative to the benchmark during the month. Relative underperformance in diversified financial services was driven by adverse credit selection and an underweight position in this outperforming sector. The primary individual detriment was an overweight position in an American payment processing company whose bonds fell modestly during the month. In homebuilders & real estate, relative underperformance was driven by challenging credit selection and was led by an underweight position and positioning in the capital structure of a landlord focused on commercial property primarily in the Czech Republic.

In terms of performance by ratings segment, credit selection and an overweight position in B-rated bonds contributed positively to relative performance. Sound credit selection and an underweight position in BB-rated bonds also added value. Conversely, challenging credit selection in bonds rated CCC or below detracted from relative returns. A modest allocation to cash also hurt in a positive month for the European high yield market.

Finally, credit selection in the United Kingdom and Greece aided relative returns. An allocation to U.S. dollar-denominated bonds also contributed positively. Conversely, positioning in Sweden and the Netherlands hurt relative performance during the month.

Market Review

December was the strongest month in the fourth quarter for the European high yield markets, capping a strong year. Investors' risk appetite generally improved amid a supportive backdrop and limited negative macro news headlines. Spread tightening and coupon income offset modestly higher underlying government bond yields, as markets traded largely on technical factors, with modest demand and limited supply enough to drive bond prices marginally higher. In monetary policy, the European Central Bank (ECB) held interest rates steady at 2%, while the Federal Reserve (Fed) and Bank of England delivered December cuts.[2]

The ICE BofA European Currency High Yield 3% Constrained Excluding Subordinated Financials Index (EUR-Hedged) returned 0.38% in December. The spread-to-worst fell 16 basis points (bps) to end the month at 294 bps, while the yield-to-worst fell 6 bps to end the month at 5.34%.[2]

Metals & mining and paper were two of the best-performing sectors in the market during the month. Building materials and chemicals were two of the worst-performing sectors in the market.[2]

The lower quality segments of the high yield market generally underperformed in December. CCC-rated bonds performed worst, while B-rated bonds performed best. This rounded off a year that saw the lowest-rated segments of the European high yield market generally underperform.[2]

Technical conditions in the European high yield market were supportive in December. Just over €5 billion of new deals priced, bringing the year-to-date total to €136 billion, which makes 2025 the second-highest year for primary issuance in Europe. In line with the trend of the last few years, the majority of issuance came to market as senior secured structures during 2025. Further, the majority of issuance (55%) was once again BB-rated. Demand from investors continued its modestly positive pace. European high yield retail funds saw a net inflow of approximately €0.5 billion during the month, which pushed the full-year total to €9.5 billion.[3]

1 Source: Morgan Stanley Investment Management Limited. Data as of 31 December 2025.
2 Source: ICE Data Indices, Bloomberg L.P., Morgan Stanley Investment Management. Data as of 31 December 2025.
3 Source: J.P. Morgan. Data as of 2 January 2026.

Default activity was limited during the month, and the trailing 12-month par-weighted default rate ended the year at 3.2%. We expect the default rate to remain in this range due to a large, distressed issuer that we believe will likely default in the coming months.[3]

Strategy and Outlook

As we enter 2026, the high yield market finds itself on improved footing. In the year ahead, we anticipate an environment characterised by decent economic growth across much of Europe and North America, and evolving monetary policy complicated by political pressure on central banks. While 2026 will not be a year without volatility, we expect corporate balance sheets to largely remain resilient, with increasing dispersion in earnings, and valuations that adjust to more accurately reflect this reality. The average spread in high yield begins the year only marginally above post-Global Financial Crisis (GFC) lows, and we expect this to adjust modestly wider as risk premium appropriately continues to transition from a beta-led rally to reflect a range of idiosyncratic outcomes. At the same time, we think the quality and health of high yield issuers, coupled with a historically attractive yield, should continue to attract global institutional capital.[4] This outlook is informed by a thorough analysis of macroeconomic and fundamental factors, including the trajectory of global economic growth, evolving monetary and fiscal policy, consumer health, issuer fundamentals, technical conditions, and valuations.

Growth in Europe and the U.K. appears to have stabilised in 2025 after a period of softness, with the expectation for slightly slower, still positive growth in 2026 and some level of reacceleration in 2027. Bloomberg's consensus economic forecast calls for real gross domestic product (GDP) growth in the European Union (EU) of 1.6% in 2025 to slow slightly to 1.4% in 2026, before returning to 1.6% in 2027.[5] There is a similar trend in expectations for the U.K., where growth is expected to slow from 1.4% in 2025 to 1.1% next year, returning to 1.4% in 2027.[5] In early December, the Organisation for Economic Co-operation and Development released its growth outlook for 2026, showing growth projections of 1.7%, 1.2%, and 1.2% in the U.S., U.K., and euro area, respectively.[6]

Global central banks continue to navigate a precarious period, with disparate and uncertain inflation backdrops across regions. In Europe, inflation appears lower relative to both the U.S. and the U.K, and current monetary policy reflects this. In November, core inflation in the EU was approximately 2.4%, unchanged from the prior month, with the expectation of softening to 1.9% in 2026.[7] The ECB maintained its key policy rate at 2.0% in December. In the U.K., the consumer prices index including owner occupiers' housing costs (CPIH) reportedly decreased from 3.8% in October to 3.5% in November.[8] Though moving in the right direction, this preferred measure of inflation remains historically high.[8] Consensus expectations are that inflation will continue to decline in 2026, toward the Bank of England's 2% target.[5] The Bank of England made the decision to reduce its key policy rate to 3.75% in December. While the paths of monetary policy for certain central banks has recently shown relative consistency, the risk of stickier inflation in certain regions, divergence in growth backdrops, and the possibility of political influence in an election year has the potential to cause some level of divergence in policy paths in 2026. In the U.S., the Fed's December median projections showed the core personal consumption expenditures (PCE) price index slowing from an expected 3.0% in 2025 to 2.5% in 2026.[9] This expected trajectory, coupled with a weakening U.S. labour market that is expected to stabilise in 2026, prompted the Fed to reduce its key policy rate by a quarter-point in December, and contributed to median Fed expectations of approximately one additional interest rate cut in 2026.[9]

Our strategy remains slightly under-risked relative to the Index, based on a duration-times-spread (DTS) ratio in non-distressed high yield credit moderately below 1. We modestly increased the DTS ratio in the "performing" segment of our market in the fourth quarter. Our DTS in the distressed segment of our market remained at approximately 0.3, reflecting minimal exposure relative to the benchmark. We think the slightly more conservative positioning should continue to benefit our investors in times of market turbulence, and complementing this core with sizable opportunistic positions in high conviction situations should provide attractive positive convexity as these idiosyncratic credit stories play out. Despite our expectation for additional spread widening, we remain encouraged by the fact that credit quality remains highs, with nearly 70% of the high yield bond market rated BB and less than 5% rated CCC or lower.[4] We believe that our current risk positioning is justified, credit risk is marginally increasing, and complacency will likely continue to be penalised. We will focus our holdings in segments where we believe growth and free cash flow are most durable and convexity remains most attractive.

We begin 2026 with an average yield and spread lower than 2025 starting levels, after some significant early year volatility. At year-end 2025, the average spread was approximately 25 bps above post-GFC lows, reached in 2017, and the average yield was approximately in line with the 10-year historical average.[4] We believe valuations across several segments of the high yield market adjusted closer to fair value in the fourth quarter, more accurately reflecting the many risks facing our market. This decompression trade is likely to continue and, at the benchmark level, we expect to reach modestly wider peak spreads in 2026. The increase in dispersion in the high yield market in the final months of the year also created opportunity. We continue to identify idiosyncratic situations to capture spread compression, even in segments where we think valuations at the sector level are full. Additionally, we anticipate an increase in net issuance volume will likely lead to interesting relative value opportunities in the primary market and

---

3 Source: J.P. Morgan. Data as of 2 January 2026.
4 Source: ICE BofA European Currency Developed Markets High Yield Excluding Subordinated Financials Constrained Index, Morgan Stanley Investment Management. Data as of 31 December 2025.
5 Source: Bloomberg L.P.: Consensus Economic Forecast, Bloomberg World Interest Rate Pricing. Data as of 5 January 2026.
6 Source: Organisation for Economic Co-operation and Development. Data as of 2 December2025.
7 Source: European Central Bank Data Portal. Data as of 2 December 2025.
8 Source: United Kingdom's Office for National Statistics. Data as of 17 December 2025.
9 Source: Federal Reserve Summary of Economic Projections. Data as of 10 December 2025.

also potentially lead to wider spreads in the secondary market, within select segments of the high yield market.

In conclusion, we expect 2026 will likely be a competitive period for high yield, where starting yield ultimately generates attractive return, while average spreads move modestly wider. Geopolitical tensions in the Middle East, Eastern Europe and South America remain elevated, and the evolving situation in Venezuela presents the possibility for deterioration or successful conclusion. Amid an uncertain and potentially volatile backdrop, we will continue to spend our time concentrating on what we do best — focusing on bottom-up fundamental credit analysis with a discerning eye on relative value, as we seek to generate positive risk-adjusted alpha for our clients.

For further information, please contact your Morgan Stanley Investment Management representative.

Fund Facts

Launch date	01 December 1998
Base currency	Euro
Benchmark	ICE BofA European Currency High Yield 3% Constrained Ex-Sub Financials Index

Calendar Year Returns (%)

Past performance is not a reliable indicator of future results.

	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Class Z Shares	4.60	4.60	8.36	12.17	-10.97	3.41	2.22	10.54	-4.46	6.36	9.84
Blended Benchmark	5.25	5.25	8.56	12.14	-11.75	3.25	2.82	10.95	-3.34	6.22	10.07

All performance data is calculated NAV to NAV, net of fees, and does not take account of commissions and costs incurred on the issue and redemption of shares. The sources for all performance and index data is Morgan Stanley Investment Management ('MSIM Ltd'). **Please visit our website www.morganstanley.com/im to see the latest performance returns for the fund's other share classes.**

Share Class Z Risk and Reward Profile

- The fund may be impacted by movements in the exchange rates between the fund's currency and the currencies of the fund's investments.
- 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 fulfill certain services, investments or transactions. If these parties become insolvent, it may expose the fund to financial loss.
- Sustainability factors can pose risks to investments, for example: impact asset values, increased operational costs.
- There may be an insufficient number of buyers or sellers which may affect the funds ability to buy or sell securities.
- Investment in Fixed Income Securities via the China Interbank Bond Market may also entail additional risks, such as counterparty and liquidity risk.
- 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.

Please refer to the Prospectus for full risk disclosures, available at www.morganstanleyinvestmentfunds.com. All data as of 31.12.2025 and subject to change daily.

Applications for shares in the Sub-Fund should not be made without first consulting the current Prospectus and the Key Information Document ("KID") or Key Investor Information Document ("KIID"), which are available in English and in the language of countries authorized for fund distribution and is available online at Morgan Stanley Investment Funds Webpages or free of charge from the Registered Office at European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxemburg B 29 192.

The summary of investor rights is available in the aforementioned languages and website location under the General Literature section.

Information in relation to sustainability aspects of the Fund is available from the Prospectus of the Fund.

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 UCITS rules..

IMPORTANT INFORMATION

This material has been prepared solely for informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. Investors should be aware that a diversified strategy does not protect against a loss in a particular market.

All investments involve risks, including the possible loss of principal. The material contained herein has not been based on a consideration of any individual client circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

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.

Morgan Stanley Investment Management 'MSIM', the asset management division of Morgan Stanley (NYSE: MS) has not authorised financial intermediaries to use and to distribute this material, unless such use and distribution is made in accordance with applicable law and regulation. MSIM shall not be liable for, and accepts no liability for, the use or misuse of this material by any such financial intermediary. If you are a distributor of the Morgan Stanley Investment Funds, some or all of the funds or shares in individual funds may be available for distribution. Please refer to your sub-distribution agreement for these details before forwarding fund information to your clients.

The whole or any part of this material may not be directly or indirectly reproduced, copied, modified, used to create a derivative work, performed, displayed, published, posted, licensed, framed, distributed or transmitted or any of its contents disclosed to third parties without the Firm's express written consent. This material may not be linked to unless such hyperlink is for personal and non-commercial use. All information contained herein is proprietary and is protected under copyright and other applicable law.

Where such a translation is made, this English version remains definitive; any discrepancies with another language, the English version prevails.

This material has been prepared on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. However, no assurances are provided regarding the reliability of such information and MSIM, the Firm has not sought to independently verify information taken from public and third-party sources.

Charts and graphs provided herein are for illustrative purposes only and subject to change.

INDEX INFORMATION

The Blended Index performance shown is calculated using the **ICE BofA European Issuers High Yield Index** from inception through 31 July 2002, the **ICE BofA European Currency Constrained High Yield Index** to 31 March 2009 and the **ICE BofA European Currency High Yield 3% Constrained Ex-Sub Financials Index** thereafter.

The **ICE BofA European Currency Constrained high yield index**: The index is designed to track the performance of euro- and British pound sterling-denominated below investment grade corporate debt publicly issued in the eurobond, sterling domestic or euro domestic markets by issuers around the world.

The **ICE BofA European Currency High Yield 3% Constrained Ex-Sub Financials Index**: contains all non-Sub Financial securities in the ICE BofA European Currency High Yield Index but caps issuer exposure at 3%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 3%.

The **ICE BofA European Issuers High Yield Index:** The index is designed to track the performance of USD, EUR and GBP denominated below investment grade corporate debt publicly issued by European corporations in the US, sterling or euro domestic or the eurobond markets.

The indexes are unmanaged and do not include any expenses, fees, or sales charges. It is not possible to invest directly in an index.

Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto. The Sub-Fund is actively managed, and the management of the fund is not constrained by the composition of the Benchmark.

A blended benchmark has been used because there has been a change in benchmark during the reporting period shown.

DISTRIBUTION

This material is only intended for and will be only distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations. It is the responsibility of any person in possession of this material and any persons wishing to make an application for Shares in pursuant to the Prospectus to inform themselves and observe all applicable laws and regulations of any relevant jurisdictions.

MSIM and its affiliates have arrangements in place to market each other's products and services. Each MSIM affiliate is regulated as appropriate in the jurisdiction it operates. MSIM's affiliates are:Eaton Vance Advisers International Ltd, Calvert Research and Management, Eaton Vance Management, Parametric Portfolio Associates LLC, Atlanta Capital Management LLC and Parametric SAS.

In the EU, this material is issued by MSIM Fund Management (Ireland) Limited ('FMIL'). FMIL is regulated by the Central Bank of Ireland and is incorporated in Ireland as a private company limited by shares with company registration number 616661 and has its registered address at 24-26 City Quay, Dublin 2, DO2 NY19, Ireland.

Outside the EU, this material is issued by MSIM Ltd is authorized and regulated by the Financial Conduct Authority. Registered in England. Registered No. 1981121. Registered Office: 25 Cabot Square, Canary Wharf, London E14 4QA.

Switzerland: MSIM materials are available in German and are issued by Morgan Stanley & Co. International plc, London (Zurich Branch) Authorised and regulated by the Eidgenössische Finanzmarktaufsicht ("FINMA"). Registered Office:

Beethovenstrasse 33, 8002 Zurich, Switzerland.

Saudi Arabia: This document may not be distributed in the Kingdom except to such persons as are permitted under the Investment Funds Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities to be offered. If you do not understand the contents of this document, you should consult an authorised financial adviser.

This financial promotion was issued and approved for use in Saudi Arabia by Morgan Stanley Saudi Arabia, Al Rashid Tower, Kings Sand Street, Riyadh, Saudi Arabia, authorized and regulated by the Capital Market Authority license number 06044-37.

Hong Kong: This material is disseminated by Morgan Stanley Asia Limited for use in Hong Kong and shall only be made available to "professional investors" as defined under the Securities and Futures Ordinance of Hong Kong (Cap 571). The contents of this material have not been reviewed nor approved by any regulatory authority including the Securities and Futures Commission in Hong Kong. Accordingly, save where an exemption is available under the relevant law, this material shall not be issued, circulated, distributed, directed at, or made available to, the public in Hong Kong.

Singapore: This material should not be considered to be the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor under section 304 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"); or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. In particular, for investment funds that are not authorized or recognized by the MAS, units in such funds are not allowed to be offered to the retail public; any written material issued to persons as aforementioned in connection with an offer is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and investors should consider carefully whether the investment is suitable for them. In cases where you are dealing with a representative of Morgan Stanley Asia Limited, and where such representative is acting on behalf of Morgan Stanley Asia Limited, please note that such representative is not subject to regulatory requirements issued by the Monetary Authority of Singapore nor is under the supervision of the Monetary Authority of Singapore. For any issues which may arise in your dealing with such representative, please approach the Singapore-based contact person who has been established as your local contact person.

Australia: This material is provided by Morgan Stanley Investment Management (Australia) Pty Ltd ABN 22122040037, AFSL No. 314182 and its affiliates and does not constitute an offer of interests. Morgan Stanley Investment Management (Australia) Pty Limited arranges for MSIM affiliates to provide financial services to Australian wholesale clients. Interests will only be offered in circumstances under which no disclosure is required under the Corporations Act 2001 (Cth) (the "Corporations Act"). Any offer of interests will not purport to be an offer of interests in circumstances under which disclosure is required under the Corporations Act and will only be made to persons who qualify as a "wholesale client" (as defined in the Corporations Act). This material will not be lodged with the Australian Securities and Investments Commission.

Chile: Potential investors are advised that this document refers to foreign securities that may be registered in the Foreign Securities Register ("FSR") from the Commission for Financial Markets (Comisión para el Mercado Financiero or "CMF") (the "Registered Securities") or that may not be registered in the FSR (the "Non-Registered Securities").

For Registered Securities, please be advised: The securities being offered are foreign. Shareholder rights and obligations are those of the issuer's home jurisdiction. Shareholders and potential investors should inform themselves on what those rights and obligations are and how to exercise them. CMF supervision of the securities is limited to information requirements in Rule 352, overall supervision is conducted by the foreign regulator in the issuer's home jurisdiction. Public information available for the securities is exclusively that required by the foreign regulator and accounting principles and auditing rules might differ to those applicable to Chilean issuers. The provisions on Article 196 of Law 18.045 are applicable to all parties involved in the registration, deposit, transaction and other acts associated with the foreign securities ruled by Title XXIV of Law 18.045.

For Non-Registered Securities, please be advised: THE SECURITIES INCLUDED IN THIS DOCUMENT ARE NOT REGISTERED IN THE FSR AND OFFERS REGARDING SUCH SECURITIES WILL BE CONDUCTED SUBJECT TO GENERAL RULE N°336 OF THE CMF, BEGINNING AT THE DATE OF THIS DOCUMENT. THESE ARE FOREIGN SECURITIES AND THEIR ISSUER IS UNDER NO OBLIGATION TO PROVIDE PUBLIC DOCUMENTS IN CHILE. THE SECURITIES ARE NOT SUBJECT TO THE SUPERVISION OF THE CMF AND CANNOT BE PUBLICLY OFFERED. THEREFORE, THIS DOCUMENT AND OTHER OFFERING MATERIALS RELATING TO THE OFFER OF THE INTERESTS IN THE FUND DO NOT CONSTITUTE A PUBLIC OFFER OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE, THE FUND INTERESTS IN THE REPUBLIC OF CHILE.

Please contact your local Distributor or the person who provided this document for information on the registration status of specific securities.

Peru: The Fund is a sub Fund of the Morgan Stanley Investment Funds, a Luxembourg domiciled Société d'Investissement à Capital Variable (the "Company") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part 1 of the Law of 17th December 2010, as amended. The Company is an Undertaking for Collective Investment in Transferable Securities ("UCITS"). If the Fund and the interests in the Fund have been registered in Peru under ***Decreto Legislativo 862: Ley de Fondos de Inversión y sus Sociedades Administradoras*** as amended; under ***Decreto Legislativo 861: Ley del Mercado de Valores*** (the "Securities Market Law") as amended, and under the ***Reglamento del Mercado de Inversionistas Institucionales*** approved by ***Resolución SMV N°021-2013-SMV/01*** as amended by the ***Resolución de Superintendente N°126-2020-SMV/02*** (the " ***Reglamento 1***") and ***Resolución de Superintendente N°035-2021-SMV/02*** (the " ***Reglamento 2***"), and are being offered to institutional investors only (as defined in article 8 of the Securities Market Law) under the special public offering directed exclusively to the institutional investors under the ***Reglamento 1 and Reglamento 2***, then the interests in the Fund will be registered in the Section ***"Del Mercado de Inversionistas Institucionales"*** of the Securities Market Public Registry (

Registro Público del Mercado de Valores) maintained by the ***Superintendencia del Mercado de Valores (SMV),*** and the offering of the Fund interests in Peru only to institutional investors will be subject to the supervision of the SMV, as well as any transfers of the Fund interests shall be subject to the limitations contained in the Securities Market Law and the regulations issued thereunder mentioned before, under which the Fund interests may only be transferred between institutional investors under Article 27 of the ***Reglamento 1 and Reglamento 2***. If neither the Fund nor the interests in the Fund have been and will not be registered in Peru under ***Decreto Legislativo 862*** and under ***Decreto Legislativo 861 referenced above***, nor they will be subject to a public offering directed to institutional investors under the ***Reglamento 1***, and will be 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 will not be registered in the Securities Market Public Registry maintained by the ***SMV,*** and the offering of the Fund interests in Peru to institutional investors nor the Fund will be subject to the supervision of the SMV, and any transfers of the Fund interests shall be subject to the limitations contained in the Securities Market Law and the regulations issued thereunder mentioned before, under which the Fund interests may only be transferred between institutional investors.