

**NOTICE TO SHAREHOLDERS OF
MORGAN STANLEY INVESTMENT FUNDS
CALVERT SUSTAINABLE GLOBAL GREEN BOND FUND**

Luxembourg, 24 July 2024

Dear shareholder,

We are writing to you as a holder of shares in Morgan Stanley Investment Funds Calvert Sustainable Global Green Bond Fund (the “**Fund**”), a sub-fund of Morgan Stanley Investment Funds (the “**SICAV**”) to inform you that the board of directors of the SICAV (the “**Board**”) has decided to amend the “**Strategy**” section of the Fund Description as set out in the Prospectus to adapt to the evolving environmental, social and governance (“**ESG**”) screening expectations.

The amended “**Strategy**” section shall read as detailed in **Appendix 1** (new wording is in bold and the wording to be removed is struck through). Furthermore, these amendments will also be reflected in the Sustainability Annex dedicated to the Fund, included in the Prospectus.

The above-mentioned amendments will be effective as from 23 August 2024 and is included in the version of the Prospectus dated July 2024. The full list of share classes impacted by these amendments is available in **Appendix 2**.

Your options

1. If you agree to the amendments mentioned above, you do not need to take any action. The amendments will automatically come into effect for the Fund as from 23 August 2024.

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

a) Convert your shares into another fund of the SICAV. Any applications for conversion must be received by 1 pm CET on 22 August 2024 and be made in accordance with section “**Buying, Exchanging, Converting and Selling Shares**” (notably sub-section “**Exchanging and converting shares**”) of the Prospectus. Please ensure that you read the UCITS KIID or PRIIPs KID for any other fund of the SICAV 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 August 2024 and be made in accordance with section “**Buying, Exchanging, Converting and Selling Shares**” (notably sub-section “**Selling shares**”) of the Prospectus.

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.

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 SICAV or at the offices of foreign representatives.

Should you have any questions or concerns about the foregoing, please contact the SICAV at its registered office in Luxembourg, the investment manager, or the representative of the SICAV in your jurisdiction. Please be aware that we are not in a position to provide investment advice. If you are uncertain as to how the amendments may affect you, you should consult your financial adviser. In addition, 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 “**Strategy**” section of the Fund Description:

“Strategy In actively managing the fund, the investment manager combines quantitative and qualitative analysis in a proprietary research process to build and optimise a portfolio of companies that appear to have above-average total return potential (top-down and bottom-up approach). The fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

*Sustainability approach In relation to this fund, “Sustainable” means that the investment manager integrates the consideration of sustainability themes and ESG issues in its investment decision-making on a discretionary basis ~~as detailed below~~. **The fund utilises a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment (the “Calvert Principles”) (the “ESG Research”). In doing so, the fund promotes environmental sustainability and resource efficiency, equitable societies and respect for human rights, in addition to accountable governance and transparent operations. In relation to its investments in fixed income securities, the fund seeks to invest only in issuers that promote the Calvert Principles. The investment manager and Calvert also seek to engage company management on financially material ESG issues identified through fundamental and ESG research processes. Engagement may seek to drive positive change, to improve the sustainability of each company, and/or to enhance long-term value creation. ~~It may also seek to support positive environmental and social impacts and outcomes, having regard to sustainability themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs.~~***

*~~In relation to this fund,~~ The use of “Calvert” in the **fund’s** name refers to Calvert Research and Management (“**Calvert**”), an indirect, wholly owned subsidiary of Morgan Stanley, whose role in relation to this fund is limited to the provision of non-discretionary investment advice to the investment manager to assist the investment manager in its management of the fund. Calvert has no discretion to make or recommend portfolio allocation or construction decisions on behalf of the fund, such investment discretion being vested solely in the investment manager.*

For the purpose of this fund, green bonds include but are not limited to the following instruments:

- *green use of proceeds bonds, with proceeds targeted to environmentally beneficial projects (with or without external green bond labelling)*
- *sustainability bonds, with a proportion of the proceeds targeted to environmentally beneficial projects*
- *transition bonds, with proceeds targeted to transitioning to more environmentally favourable business models*
- *sustainability-linked bonds, with environmental key performance indicators and targets*
- *bonds of issuers that seek to provide environmental solutions or that demonstrate environmental sustainability leadership*

*The investment manager utilises Calvert’s research in relation to Green Bonds. Calvert employs a proprietary assessment framework for Green Bonds (which has regard to, where appropriate, recognised green bond guidelines such as the Green Bonds Principles of the International Capital Market Association), through which the robustness, expected impact and transparency of all such instruments in the fund are evaluated. The investment manager and Calvert may use third party data and ESG research as part of their analysis, and where data may not be available, will use internal methodologies or reasonable estimates. The methodologies used by different data providers can vary and may result in different evaluations. Details of the **Green Bond** evaluation methodology are available **at morganstanleyinvestmentfunds.com**. ~~in Calvert Principles for Responsible Investment.~~*

On an ancillary basis the fund may invest in securities which are not identified as Green Bonds, provided that Calvert has assessed that the issuer and/or security makes a significant contribution to positive social impacts or outcomes either through the issuer’s products and services or through its practices or through the specific projects or investments financed by the

bond issue, and provided Calvert has established that the activities of the issuer or projects associated with the bond issue, as applicable, do not result in adverse environmental or social impacts, or cause significant harm in accordance with the SFDR sustainable investment requirements. Such investments may include labelled Social Bonds, with proceeds allocated to projects focused on positive social outcomes and/or target populations, or labelled Sustainability-linked Bonds with social key performance indicators and targets. Such labelled bonds will also be subject to the Calvert's proprietary assessment framework, as described above. The labels "Green", "Social", "Sustainability" and "Sustainability-Linked" attached to the bonds by their issuers stand for the fact that their frameworks are, in most cases, although not exclusively, aligned with the International Capital Market Association (ICMA) Green/Social/Sustainability-Linked Bond Principles, or Sustainability Bond Guidelines, or principles/guidelines established in other jurisdictions.

The aim of the investment manager will be to ensure that at least 90% of the fund's assets are assessed with respect to the sustainability themes and ESG issues described above.

The fund will not knowingly invest in corporate issuers which:

- **derive any revenue from any of the following activities:**
 - **controversial weapons manufacturing or retail (anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons)**
 - **civilian firearms manufacturing or retail**
 - **tobacco manufacturing**
 - **thermal coal mining and extraction**
- **derive 5% or more revenue from any of the following activities:**
 - **oil sands extraction**
 - **Arctic oil and/or gas production**
- **derive 10% or more revenue from any of the following activities:**
 - **military or conventional weapons, or weapons systems manufacturing or retail**
 - **gambling**
 - **tobacco retail and distribution**
 - **coal-fired power generation**
- **violate or have experienced very severe ESG-related controversies, including in relation to any of the following norm-based exclusions: UN Global Compact, UN Guiding Principles on Business and Human Rights, the ILO Fundamental Principles, and the OECD Guidelines for Multinational Enterprises**

The exception to the above coal, oil and gas related exclusions, is that the fund may invest in some labelled Sustainable Bonds, which are issued by fossil fuel companies to raise capital specifically for climate-related projects, so long as the investment manager has determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the investment manager.

The fund will also not invest in sovereign issuers which are in the bottom-10% ranked countries for social violations, based on the investment manager's custom indicator. The social violations custom indicator is calculated by the investment manager taking into consideration a country's performance on issues including, but not limited to, the application of human rights and civil liberties, the quality of contract enforcement and security, freedom of expression and association, and free media.

Any investments in sovereign issuers exhibiting positive momentum with respect to such social violations, as determined by the investment manager or Calvert, shall not be subject to the purchase restriction.

~~Investments shall not knowingly include any company whose business activity involves the following:~~

- ~~manufacturing or production of controversial weapons, including anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons~~
- ~~manufacturing or production of civilian firearms, where the company derives more than 5% revenue from such business activity~~

- ~~• manufacturing or production of tobacco, or where the company derives more than 10% revenue from tobacco distribution or retail~~
- ~~• gambling, where the company derives more than 10% revenue from such business activity~~

~~The fund will also not invest in securities of issuers that have experienced very severe ESG-related controversies, including in relation to violations of the UN Global Compact, UN Guiding Principles on Business and Human Rights, the ILO Fundamental Principles, and the OECD Guidelines for Multinational Enterprises.~~

The investment manager may decide to implement additional restrictions to the fund, and such new restrictions will be disclosed in the fund's SFDR Website Disclosure.

Investments that are held by the fund but subsequently become restricted due to the application of the ESG criteria 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 manager, taking into account the best interests of the shareholders of the fund.

SFDR product category Article 9.

For more information on sustainability, see the fund's sustainability annex and the "Sustainable Investing" section on page 175."

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 SICAV's website (www.morganstanleyinvestmentfunds.com) for most up-to-date information.

| Share classes | ISIN numbers | |
|--|--------------|--------------|
| Morgan Stanley Investment Funds Calvert Sustainable Global Green Bond Fund | A | LU2502369304 |
| | B | LU2502369569 |
| | C | LU2502369726 |
| | CH (EUR) | LU2502369999 |
| | I | LU2502370062 |
| | J | LU2502370229 |
| | JH1 (EUR) | LU2716673533 |
| | Z | LU2502370146 |