

**NOTICE TO SHAREHOLDERS OF
MORGAN STANLEY INVESTMENT FUNDS
EURO CORPORATE BOND FUND**

Luxembourg, 24 July 2024

Dear shareholder,

We are writing to you as a holder of shares in Morgan Stanley Investment Funds Euro Corporate 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 and, in particular, details of the Fund’s screening policy to adapt to the evolving environmental, social and governance (“**ESG**”) screening expectations.

The amended section “**Strategy**” 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 are 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 macroeconomic, market and fundamental analysis to identify securities that appear to offer the best return for their risk level (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 The **fund promotes environmental and social characteristics through the application of sustainability-related exclusions and allocations to sustainable investments.** investment manager applies proprietary assessment and scoring methodologies that are bespoke to fixed income securities the fund may invest in, focused on corporate, sovereign and securitised issuance. Additionally, as part of the investment manager’s bottom-up, fundamental research process, and in its engagements with issuers, the investment manager incorporates an assessment of sustainability-related risks and opportunities through the use of proprietary **Environmental, Social and Governance (ESG) assessment and scoring methodologies.** ESG into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the fixed income securities. These criteria **taken into consideration** may include, but are not limited to, ESG themes such as decarbonisation and climate risk, circular economy and waste reduction, diverse and inclusive business, and decent work and resilient jobs. The investment manager will monitor core sustainability indicators, including ESG assessments from third party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the fixed income securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis. The investment manager also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.*

*The investment manager promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments **The fund shall not knowingly include any company whose business activity invest in any of the following:***

- manufacturing or production of controversial weapons
- manufacturing or production of civilian firearms
- manufacturing or production of tobacco
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity
- **manufacturing or production of military or conventional weapons or systems, where the company derives 10% or more revenue from such business activity**
- **gambling, where the company derives 10% or more revenue from such business activity**
- **coal-fired power generation, where the company derives 20% or more revenue from such business activity**
- **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**

*As an ~~The~~ exception to the above coal ~~exclusions restriction is that,~~ the fund may invest in labelled ~~Green and Sustainability Bonds~~ **sustainable bonds that** which are issued by **fossil fuel companies** to raise capital specifically for climate-related projects, so long as **the investment manager** it has ~~been~~ 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 may invest in issuers who may not themselves contribute to the specific environmental or social characteristics promoted by~~*

~~the financial product such as hedging instruments.~~

The investment manager may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company. 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 which as a result of the application of the ESG criteria above become restricted 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. The investment manager monitors business practices on an ongoing basis, through data on ESG controversies and standards screening that the investment manager sources from third party providers. The investment manager will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio. The investment manager uses third party data and ESG scores and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the investment manager using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.~~

SFDR product category Article 8. 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 Euro Corporate Bond Fund	A	LU0132601682
	A (USD)	LU2473714355
	AH (USD)	LU1112651192
	AX	LU0239680886
	AX (USD)	LU2473715089
	B	LU0132602227
	BX	LU0594834128
	C	LU0176164985
	CX	LU1807328452
	F	LU1244750078
	FX	LU1244750581
	I	LU0132602656
	IX	LU0239681009
	N	LU0365458107
	NH (USD)	LU2017618914
	S	LU0390558301
	Z	LU0360483100
	ZH (CHF)	LU1732804833
	ZH (USD)	LU1732804759
	ZHX (GBP)	LU2040186269
ZX	LU0360612435	