Morgan Stanley
INVESTMENT MANAGEMENT

Morgan Stanley Investment Funds
Société anonyme - Société d'Investissement à Capital Variable
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NOTICE TO SHAREHOLDERS OF

MORGAN STANLEY INVESTMENT FUNDS
EUROPEAN PROPERTY FUND
(THE "MERGING SUB-FUND")

AND

MORGAN STANLEY INVESTMENT FUNDS
GLOBAL PROPERTY FUND
(THE "RECEIVING SUB-FUND")

(THE "MERGING ENTITIES")

Luxembourg, 1 October 2024

Dear shareholders,

We are writing to you because you are an investor in the European Property Fund (the "**Merging Sub-Fund**") or the Global Property Fund (the "**Receiving Sub-Fund**"), sub-funds of Morgan Stanley Investment Funds (the "**SICAV**").

Morgan Stanley Investment Management, the investment manager of the Merging Entities, has made a strategic decision to close its current listed real estate business and will cease to offer the particular investment strategies followed by the Merging Entities in their current format. The board of directors (the "**Board**") of the SICAV has decided to: (1) merge the Merging Sub-Fund into the Receiving Sub-Fund (the "**Merger**") and (2) amend the investment policy of the Receiving Sub-Fund, to appoint a new sub-investment manager to implement it and change the name of the Receiving Sub-Fund (the "**Repositioning**"). This will provide for a listed real estate offering, in a simplified format as detailed below, and an additional option for you to consider.

The Merger shall become effective on 22 November 2024 (the "**Merger Date**"). The change of investment policy and sub-investment manager shall become effective on 6 December 2024 (the "**Repositioning Date**").

This notice describes the implications of the Merger as well as changes to be made to the Receiving Sub-Fund. The new sub-investment manager of the Receiving Sub-Fund will be FundLogic S.A.S., another regulated investment management entity within the Morgan Stanley group ("**FundLogic**").

In this simplified format, FundLogic will implement a different investment approach to the existing sub-investment manager for the Receiving Sub-Fund. FundLogic will follow an active quantitative approach by applying fundamental factors to inform the weightings applied to holdings in the Receiving Sub-Fund, as opposed to qualitative stock selection and the name of the Receiving Sub-Fund will be changed to "**QuantActive** Global Property Fund" to reflect this.

Please contact your financial advisor if you have any questions on the content of this notice. The Merger / Repositioning may impact your tax situation. Shareholders should contact their tax advisor for specific tax advice in relation to the Merger and Repositioning.

Terms used in this notice shall have the meaning ascribed to them in the current prospectus of the SICAV (the "**Prospectus**"), unless the context otherwise requires.

1. Background and rationale

1.1 Merger between the Merging Entities

The Merging Sub-Fund was launched on 1 July 1997 and has as of 26 August 2024 USD 29 million of assets under management while the Receiving Sub-Fund was launched on 31 October 2006 and has as of 26 August 2024 c. USD 152 million of assets under management. It is proposed that the Merging Sub-Fund will be merged into the Receiving Sub-Fund.

The Receiving Sub-Fund has been identified as the absorbing sub-fund based on the strong performance and larger assets under management.

Whilst the Merging Entities do not provide like-for-like European country exposure, the Receiving Sub-Fund provides broader global geographical exposure including European countries.

In addition, the Merging Entities are both categorized as article 8 financial products in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**"), and apply the same environmental, social and governance ("**ESG**") framework, with the sole difference being that the Receiving Sub-Fund is allowed to invest in companies that do not have at least one female board member if such companies are located in Japan.

The Merger will involve in-specie transfer of c. 14% of the holdings of the Merging Sub-Fund. The remaining positions will be liquidated and transferred in cash. Transaction costs for the liquidation of the portfolio of the Merging Sub-Fund are estimated to amount to 22-24 basis points and will be borne by the shareholders of the Merging Sub-Fund.

Due to increased complexity of managing across a larger number of countries, the management fee of all share classes of the Receiving Sub-Fund are currently slightly higher than the management fee of the share classes of the Merging Sub-Fund. However, the management fees of the share classes of the Receiving Sub-Fund will decrease on the Repositioning Date. Please note that the difference in management fee between the Merging Sub-Fund and the Receiving Sub-Fund will be waived for shareholders of the Merging Sub-Fund for the period from the Merger Date to the Repositioning Date. Further details are set out under section (i) (*Merging and receiving classes of shares - features and characteristics*) of **Appendix 1** below.

Share classes of the Merging Sub-Fund will merge into the corresponding share classes of the Receiving Sub-Fund.

Further details on the Merger and the impact on shareholders of the Merging Entities, are set out in section 3 (*Impact of the Merger and the Repositioning on the respective shareholders of the Merging Entities*) below.

1.2 Change of investment policy of the Receiving Sub-Fund and change of sub-investment manager

As noted above, Morgan Stanley Investment Management, the investment manager of the Merging Entities, has made a strategic decision to exit its current listed global real assets business and will cease to offer these particular investment strategies. As such, it has been determined to appoint FundLogic as the new sub-investment manager and FundLogic will follow an active quantitative approach by applying fundamental factors to inform the weightings applied to holdings in the Receiving Sub-Fund, as opposed to qualitative stock selection.

FundLogic will implement a revised investment policy as described in section 3.3 (*Impact of the Repositioning on the shareholders of the Receiving Sub-Fund*) below and the name of the Receiving Sub-Fund will be changed to "**QuantActive** Global Property Fund".

2. Summary of the Merger and the Repositioning

Merger

(i) The Merger shall become effective and final between the Merging Entities and vis-à-vis third parties on the Merger Date.

(ii) On the Merger Date, all assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund. The Merging Sub-Fund will cease to exist as a result of the Merger and thereby will be dissolved on the Merger Date without going into liquidation.

(iii) No general meeting of shareholders shall be convened in order to approve the Merger and shareholders are not required to vote on the Merger.

(iv) Shareholders of the Merging Entities who do not agree with the Merger have the right to request, prior to 1 pm CET on 15 November 2024 (the "**Merger Cut-Off Time**"), the redemption of their shares or the conversion of their shares in shares of the same or another share class of another sub-fund of the SICAV, not involved in the Merger, free of charges (with the exception of charges retained by the Merging Sub-Fund to meet disinvestment costs). Given the significant nature of the changes to the Receiving Sub-Fund, contingent deferred sales charges (CDSC) will be waived from the date of this notice until the Repositioning Cut-Off Time. These charges apply only to B and C shares of the Merging Entities. Please see section 6 (*Rights of shareholders of the Merging Entities in relation to the Merger and the Repositioning*) below.

(v) On the Merger Date, shareholders of the Merging Sub-Fund will automatically be issued the relevant shares, as mentioned below, of the Receiving Sub-Fund in exchange for their shares of the Merging Sub-Fund, in accordance with the relevant share exchange ratios. Such shareholders will participate in the performance of the Receiving Sub-Fund as from such date. Shareholders will receive a confirmation note showing their holding in the Receiving Sub-Fund as soon as practicable after the Merger Date. For more detailed information please see section 6 (*Rights of shareholders of the Merging Entities in relation to the Merger and the Repositioning*) below.

(vi) Subscriptions, redemptions and/or conversions of shares of the Merging Entities will still be possible as described in section 7 (*Procedural aspects*) below.

(vii) Procedural aspects of the Merger are set out in section 7 (*Procedural aspects*) below.

Repositioning

(viii) The Repositioning shall be effective on the Repositioning Date.

(ix) On the Repositioning Date, the Receiving Sub-Fund's investment policy will change as described in section 3.3 (*Impact of the Repositioning on the shareholders of the Receiving Sub-Fund*). On the same day, FundLogic shall become the sub-investment manager of the Receiving Sub-Fund and the name of the Receiving Sub-Fund will change.

(x) Shareholders of the Receiving Sub-Fund who do not wish to participate in the Repositioning have the right to request, prior to 1 pm CET on 28 November 2024 (the "**Repositioning Cut-Off Time**"), the redemption of their shares or the conversion of their shares in shares of the same or another share class of another sub-fund of the SICAV free of charges (with the exception of charges retained by the Receiving Sub-Fund to meet disinvestment costs). Given the significant nature of the changes to the Receiving Sub-Fund, contingent deferred sales charges (CDSC) will be waived from the date of this notice until the Repositioning Cut-Off Time. These charges apply only to B and C shares of the Receiving Sub-Fund. Please see section 6 (*Rights of shareholders of the Merging Entities in relation to the Merger and the Repositioning*) below.

Miscellaneous

(xi) The Merger and the Repositioning have been approved by the *Commission de Surveillance du Secteur* Financier (the "**CSSF**").

The timetable below summarises the key steps of the Merger and the Repositioning.

Subscriptions for, or conversions to shares of the Merging Sub-Fund not accepted or processed from investors who have not yet invested into the Merging Sub-Fund	**1 pm CET on 29 August 2024**
Notice sent to shareholders	**1 October 2024**
Subscriptions for, or conversions to shares of the Merging Sub-Fund not accepted or processed for investors already invested in the Merging Sub-Fund (*Merger Cut-Off Time*)	**1 pm CET on 15 November 2024**

Redemptions or conversions of shares of the Merging Sub-Fund not accepted or processed (*Merger Cut-Off Time*)	**1 pm CET on 15 November 2024**
Calculation of share exchange ratios	**22 November 2024**
Merger Date	**22 November 2024**
Redemptions or conversions of shares of the Receiving Sub-Fund by shareholders of the Receiving Sub-Fund who do not agree with the Repositioning (*Repositioning Cut-Off Time*)	**1 pm CET on 28 November 2024**
Repositioning Date	**6 December 2024**

(xii) Dealings will not be impacted in the Receiving Sub-Fund.

3. Impact of the Merger and the Repositioning on the respective shareholders of the Merging Entities

3.1 Impact of the Merger on the shareholders of the Merging Sub-Fund

The Merger will be binding on all the shareholders of the Merging Sub-Fund who have not exercised their right to request the redemption or the conversion of their shares prior to the Merger Cut-Off Time.

The Merger will result in the conversion of their holdings in the Merging Sub-Fund into share(s) of the Receiving Sub-Fund. This conversion will take place on the Merger Date and in accordance with the terms and exchange ratio as further described below. No entry fee will be levied within the Receiving Sub-Fund as a result of the Merger.

To facilitate the Merger, MSIM Inc. will rebalance the portfolio of the Merging Sub-Fund ahead of the Merger.

As a consequence, the Merging Sub-Fund might not be compliant with its investment objective and policy and investment restrictions as set out in the Prospectus during the eight (8) business days preceding the Merger Date. Similarly, the Merging Sub-Fund's portfolio may no longer be diversified in accordance with the undertakings for collective investment in transferable securities' ("**UCITS**") risk diversification requirements during that period.

The estimated transaction costs to be incurred in rebalancing the portfolio are approximately 22-24 basis points but may be higher or lower depending on actual results.

The shareholders of the Merging Sub-Fund will not bear any legal, advisory, or administrative costs associated with the preparation and the completion of the Merger. They will however bear costs, including transaction costs, associated with carrying out the Merger, and any taxes which may arise on the transfer of property to the Receiving Sub-Fund such as stamp duties.

The Merging Sub-Fund will not, however, be responsible for, or pay, any shareholder's personal tax liability that results from the Merger.

Following the Merger, shareholders of the Merging Sub-Fund will benefit from lower levels of management fee when the management fees of the share classes of the Receiving Sub-Fund decrease on the Repositioning Date. Please note that the difference in management fee between the Merging Sub-Fund and the Receiving Sub-Fund will be waived for shareholders of the Merging Sub-Fund for the period from the Merger Date to the Repositioning Date. Further details are set out under section (i) (*Merging and receiving classes of shares - features and characteristics*) of **Appendix 1** below.

3.2 Impact of the Merger on the shareholders of the Receiving Sub-Fund.

The Merger will be binding on all the shareholders of the Receiving Sub-Fund who have not exercised their right to request the redemption or the conversion of their shares prior to the Merger Cut-Off Time.

For the shareholders of the Receiving Sub-Fund, the Merger will create a slight rise of the assets under management of the Receiving Sub-Fund. It is not foreseen that the Merger will cause a dilution in the performance of the Receiving Sub-Fund. Dealings in the Receiving Sub-Fund are not impacted by the Merger.

The shareholders of the Receiving Sub-Fund will not bear any legal, advisory, or administrative costs associated with the preparation and the completion of the Merger.

In line with standard practice of the SICAV, in order to protect the shareholders of the Receiving Sub-Fund, the SICAV may apply its swing pricing policy to the net asset value per share of the Receiving Sub-Fund so as to mitigate any potential dilutive effects which may result from net flows other than those associated to the Merger on the Merger Date. This means that the final net asset value or value of the Merging Sub-Fund may be adjusted up or down as appropriate and in line with the swing factor in order to offset any potential dilutive effects.

The sub-investment managers of the Receiving Sub-Fund will not rebalance the portfolio of the Receiving Sub-Fund in advance of the Merger, however, please see section 3.3 *(Impact of the Repositioning on the shareholders of the Receiving Sub-Fund)* below for information on changes to the Receiving Sub-Fund's portfolio in line with the Repositioning.

3.3 Impact of the Repositioning on the shareholders of the Receiving Sub-Fund.

As part of the Repositioning, the "**Strategy**" section of the Fund Description as set out in the Prospectus shall be amended. The current and revised versions are read as shown in the table below:

	Current version of the Receiving Sub-Fund	Receiving Sub-Fund on the Repositioning Date
Strategy (investment philosophy)	In actively managing the Receiving Sub-Fund, the investment manager uses fundamental analysis to identify companies whose securities may offer the best value relative to their underlying assets and earnings or have above-average growth potential (bottom-up approach). The investment manager also considers forecasted fundamental inflections and macroeconomic, geopolitical and country risk factors to achieve geographical and sectoral diversification at the portfolio level (top-down approach). The Receiving Sub-Fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.	In actively managing the Receiving Sub-Fund, the investment manager uses fundamental analysis to identify companies whose securities may offer the best return potential based on a multi-layered filtering process (bottom-up approach). The investment manager applies a quantitative approach by considering a discretionary group of factors including, but not limited to trend, valuation, market capitalisation and further incorporates accounting and valuation assessments to identify equities for inclusion in the portfolio. ESG factors are incorporated using ESG Corporate Ratings provided by third party vendors in addition to binding restrictions. Additional discretionary adjustments may be made to meet diversification requirements. The Receiving Sub-Fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.
Strategy (sustainability approach)	The investment manager actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third party ESG providers to assess and quantify ESG performance for issuers, supplementing third party research with proprietary research conducted by the investment manager including utilising a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. Key ESG topics may include, but are not limited to: energy usage and renewables, water usage, emissions, diversity and gender equality, labour and human rights, employee and tenant health, wellness and safety and company ESG governance and disclosure. In an effort to drive positive change and encourage companies to improve their performance on material ESG issues, the investment manager may approach company management with competitive insights, financially sound business cases and	The investment manager actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process by leveraging third party ESG data providers to assess and quantify ESG performance for issuers, informing position sizing; increasing allocation to those companies with more favourable ESG ratings.

	Current version of the Receiving Sub-Fund	Receiving Sub-Fund on the Repositioning Date
	practical solutions to potentially improve their real estate operations. 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 manager 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 10% of company revenue: • owning or operating real estate used for for-profit prisons • owning or operating real estate used to manufacture cannabis • manufacturing or production of tobacco • manufacturing or production of coal mining • manufacturing or production of controversial weapons and civilian firearms • manufacturing or production of Arctic oil and gas Investments shall not knowingly include the following companies that: • have a notable controversy related to their operations and/ or products, where the severity of the social or environmental impact of the controversy, is judged by the investment manager • fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement • do not have at least one female board member (excluding companies located in Japan) The investment manager references third party ESG data and its own proprietary research during the security research process. The investment manager will review controversy cases (such as the exclusions noted above) that it views as being very severe using ratings by relevant ESG data providers and internal research. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the investment manager using reasonable estimates. For more information on sustainability, see the Receiving Sub-Fund's sustainability annex and the "Sustainable Investing" section on page 178 of the Prospectus.	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 manager 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 10% of company revenue: • owning or operating real estate used for for-profit prisons • owning or operating real estate used to manufacture cannabis • manufacturing or production of tobacco • manufacturing or production of coal mining • manufacturing or production of controversial weapons and civilian firearms • manufacturing or production of Arctic oil and gas Investments shall not knowingly include the following companies that: • have a notable controversy related to their operations and/ or products, where the severity of the social or environmental impact of the controversy, is judged by the investment manager • fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement • do not have at least one female board member (excluding companies located in Japan) The investment manager references third party ESG data during the security research process. The investment manager will review controversy cases (such as the exclusions noted above) that it views as being very severe using ratings by relevant ESG data providers. However, in some cases data on specific issuers or the exclusions noted above may not be readily available. For more information on sustainability, see the Receiving Sub-Fund's sustainability annex and the "Sustainable Investing" section on page 178 of the Prospectus.

Additionally, it has been decided to rename the Receiving Sub-Fund, as follows:

Current name	Future name
Global Property Fund	QuantActive Global Property Fund

We wish to draw your attention to the following key changes regarding how the Receiving Sub-Fund will be managed following the Repositioning:

1. While the Receiving Sub-Fund will continue to provide exposure to listed real estate stocks, they will display different characteristics to previous portfolio positions. The changes will result in significant changes to the Receiving Sub-Fund's investments. Based on current expectations, approximately 6% of the Receiving Sub-Fund's portfolio will remain the same, with the remaining 94% changing. This is expected to result in trading costs of approximately 10-12 basis points. The shareholders of the Receiving Sub-Fund will bear such trading costs.

2. The Receiving Sub-Fund will remain actively managed, although in accordance with the active quantitative style described above.

3. FundLogic will not undertake an active engagement approach with companies in which the Receiving Sub-Fund invests.

4. The Receiving Sub-Fund currently applies exclusions as part of its integration of ESG factors. The existing exclusions will continue to be applied by FundLogic. In addition, and as noted in the table above under the "**Strategy**" section of the Fund Description, position sizing will be informed by ESG Corporate Ratings sourced from third party data vendor(s). These amendments will also be reflected in the Sustainability Annex dedicated to the Receiving Sub-Fund, included in the Prospectus.

5. The management fee of the Receiving Sub-Fund will be lower than the management fee that is currently charged. A table setting out the relevant fees is included below:

Share class	Current management fee	New management fee
A	1.50%	1.25%
B	1.50%	1.25%
C	2.30%	1.65%
I	0.85%	0.50%
Z	0.85%	0.50%

4. Characteristics of the Merging Entities

Appendix 1 highlights the material differences between the Merging Entities, including setting out their respective investment objectives and policies, summary risk indicators ("**SRIs**"), management fees and, on a share class by share class basis, their total expense ratios.

In addition to the information in **Appendix 1**, shareholders of the Merging Sub-Fund should carefully read the description of the Receiving Sub-Fund in the Prospectus and in the KID of the Receiving Sub-Fund before making any decision in relation to the Merger.

5. Criteria for valuation of assets and liabilities

For the purpose of calculating the share exchange ratios, the rules laid down in the articles of incorporation of the SICAV (the "**Articles of Incorporation**") and the Prospectus for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Merging Entities.

As described above, the SICAV may apply its swing pricing policy to the net asset values per share of the Receiving Sub-Fund so as to mitigate any potential dilutive effects which may result from net flows on the Merger Date.

6. Rights of shareholders of the Merging Entities in relation to the Merger and the Repositioning

On the Merger Date, shareholders of the Merging Sub-Fund will automatically be issued, in exchange for their shares in the Merging Sub-Fund, a number of registered shares in the relevant absorbing share class of the Receiving Sub-Fund, as further detailed under section (i) (*Merging and receiving classes of shares - features and characteristics*) of **Appendix 1** below.

The number of relevant share(s) to be issued in the Receiving Sub-Fund in exchange of the holding(s) in the Merging Sub-Fund will be, for each share class, calculated as follows:

Number of shares in the relevant share class in the Merging Sub-Fund multiplied by the relevant share exchange ratio, which shall be calculated for each class of shares on the basis of the respective net asset values per share as of the Merger Date.

An exchange rate between the currency of the merging share classes may need to be applied if the net asset value of the merging share class is not calculated in any of the currencies used for the calculation of the net asset value of the relevant receiving share class.

Where the application of the relevant share exchange ratio does not lead to the issuance of full shares in the

Receiving Sub-Fund, the shareholders of the Merging Sub-Fund will receive fractions of shares up to three (3) decimal points within the Receiving Sub-Fund.

No entry fee will be levied within the Receiving Sub-Fund as a result of the Merger.

Shareholders of the Merging Sub-Fund will acquire rights as shareholders of the Receiving Sub-Fund from the Merger Date and will participate in the performance of the net asset value of the relevant share class in the Receiving Sub-Fund as of the Merger Date.

Shareholders of the Merging Entities who do not agree with the Merger have the right to request prior to the Merger Cut-Off Time the redemption or, where possible, the conversion of their shares at the applicable net asset value, free of charge (with the exception of any charges retained by the Merging Entities to meet disinvestment costs).

Shareholders of the Receiving Sub-Fund who do not agree with the Repositioning have the right to request prior to the Repositioning Cut-Off Time the redemption or, where possible, the conversion of their shares at the applicable net asset value, free of charge (with the exception of any charges retained by the Receiving Sub-Fund to meet disinvestment costs).

Given the significant nature of the changes to the Receiving Sub-Fund, contingent deferred sales charges (CDSC) will be waived from the date of this notice until the Repositioning Cut-Off Time. These charges apply only to B and C shares of the Merging Entities.

7. Procedural aspects

No shareholder vote is required in order to carry out the Merger under article 24 of the Articles of Incorporation. Shareholders of the Merging Entities who do not agree with the Merger may request the redemption or conversion of their shares as stated under section 6 (*Rights of shareholders of the Merging Entities in relation to the Merger and the Repositioning*) above prior to the Merger Cut-Off Time.

7.1 Suspensions in dealings

In order to implement the procedures needed for the Merger and the Repositioning in an orderly and timely manner, the Board has decided that, unless previously agreed:

- Subscriptions for, or conversions to shares into the Merging Sub-Fund will not be accepted or processed with effect from 1 pm CET on 29 August 2024 until the Merger Date (only applicable to investors who have not yet invested into the Merging Sub-Fund).

- Subscriptions for, or conversions to shares into the Merging Sub-Fund will not be accepted or processed with effect from the Merger Cut-Off Time onwards (applicable to investors already invested in the Merging Sub-Fund).

- Redemptions of, and conversions to, shares out of the Merging Sub-Fund will not be accepted or processed from the Merger Cut-Off Time onwards.

- There will be no impact on dealings in shares of the Receiving Sub-Fund as a result of the Merger and the Repositioning. Redemptions, subscriptions, and conversions will be accepted as normal, subject to the terms of the Prospectus, throughout the Merger and Repositioning process.

7.2 Confirmation of Merger

Each shareholder in the Merging Sub-Fund will receive a notification confirming (i) that the Merger has been carried out and (ii) the number of shares of the relevant class of shares of the Receiving Sub-Fund that they hold after the Merger.

Each shareholder in the Receiving Sub-Fund will receive a notification confirming that the Merger has been carried out.

7.3 Publications

The Merger and its Merger Date shall be published on the central electronic platform of the Grand Duchy of Luxembourg, the *Recueil électronique des sociétés et associations (RESA)*, before the Merger Date. This information shall also be made publicly available, where required by regulation, in other jurisdictions where shares of the Merging Entities are distributed.

7.4 Approval by competent authorities

The Merger has been approved by the CSSF which is the competent authority supervising the SICAV in Luxembourg.

8. Costs of the Merger

MSIM Fund Management (Ireland) Limited (the "**Management Company**") will bear the legal, advisory and administrative costs and expenses associated with the preparation and completion of the Merger.

9. Taxation

The Merger of the Merging Sub-Fund into the Receiving Sub-Fund may have tax consequences for shareholders. Shareholders should consult their professional advisers about the consequences of this Merger on their individual tax position.

10. Additional information

10.1 Merger reports

Ernst & Young S.A., Luxembourg, the authorised auditor of the SICAV in respect of the Merger, will prepare reports on the Merger which shall include a validation of the following items:

1) the criteria adopted for valuation of the assets and/or liabilities for the purposes of calculating the share exchange ratios;
2) the calculation method for determining the share exchange ratios; and
3) the final share exchange ratios.

The Merger' reports regarding items 1) to 3) above shall be made available at the registered office of the SICAV on request and free of charge to the shareholders of the Merging Entities and the CSSF as soon as possible on or after the Merger Date.

10.2 Additional documents available

The following documents are available to the shareholders of the Merging Entities at the registered office of the SICAV on request and free of charge as from the date of this notice:

(a) the common terms of the Merger drawn-up by the Board containing detailed information on the Merger, including the calculation method of the share exchange ratios (the "**Common Terms of the Merger**");

(b) a statement by the depositary bank of the SICAV confirming that they have verified compliance of the Common Terms of the Merger with the terms of the law of 17 December 2010 on undertakings for collective investment, as amended (the "**2010 Law**"), and the Articles of Incorporation;

(c) the Prospectus; and

(d) the KIDs of the Merging Entities. The Board draws the attention of the shareholders of the Merging Sub-Fund to the importance of reading the KIDs of the Receiving Sub-Fund, which are available at the following website: www.morganstanelyinvestmentfunds.com, before making any decision in relation to the Merger.

The Board accepts responsibility for the accuracy of the information contained in this notice. The Prospectus and the relevant KIDs 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 Merger or Repositioning 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 faithfully,

The Board

APPENDIX 1

PRINCIPAL DIFFERENCES BETWEEN THE MERGING ENTITIES

This **Appendix** contains a comparison of the material characteristics of the Merging Entities.

The information in this section reflects the characteristics of the Receiving Sub-Fund before the Repositioning becomes effective. We would recommend reviewing the changes proposed as part of the Repositioning outlined in this notice in section 3.3 (*Impact of the Repositioning on the shareholders of the Receiving Sub-Fund*) also.

(a) Investment objectives and policies

	Merging Sub-Fund	Receiving Sub-Fund
Objective	To increase the value of your investment over the long term, mainly through growth of capital.	To increase the value of your investment over the long term, mainly through growth of capital.
SFDR product category	Article 8	Article 8
Investment policy (main investment bucket)	The Merging Sub-Fund invests, directly or indirectly through funds, at least 70% of total net assets in equities of companies in the real estate industry, or closely related to this industry. These investments are located in Europe. Specifically, these investments may include property-related collective investment vehicles, such as publicly quoted property unit trusts and eligible closed-end real estate investment trusts (REITs).	The Receiving Sub-Fund invests, directly or indirectly through funds, at least 70% of total net assets in equities of companies in the real estate industry, or closely related to this industry. These investments may be located anywhere in the world, including emerging markets. Specifically, these investments may include property-related collective investment vehicles, such as publicly quoted property unit trusts and eligible closed-end real estate investment trusts (REITs).
Investment policy (ancillary bucket)	The Merging Sub-Fund may invest up to 30% of total net assets in equities not meeting the criteria of the Merging Sub-Fund's primary investments, and other types of securities, such as preference shares and convertible bonds.	The Receiving Sub-Fund may invest up to 30% of total net assets in equities not meeting the criteria of the Receiving Sub-Fund's primary investments, and other types of securities, such as preference shares and convertible bonds.
Investment policy (additional investment limits and miscellaneous)	Non-base currency exposure may be partially or fully hedged to the base currency of the Merging Sub-Fund. See also "Permitted assets, techniques and transactions" on page 180 of the Prospectus.	Non-base currency exposure may be partially or fully hedged to the base currency of the Receiving Sub-Fund. See also "Permitted assets, techniques and transactions" on page 180 of the Prospectus.
Derivatives and techniques	The Merging Sub-Fund may use derivatives for reducing risks (hedging) and costs only. The Merging Sub-Fund intends to use core derivatives only (see "How the Funds Use Instruments and Techniques" in the Prospectus). The Merging Sub-Fund may use securities lending (5-25% of total net assets expected, 33% maximum). The Merging Sub-Fund cannot enter into total return swaps, repurchase agreements, and reverse repurchase agreements.	The Receiving Sub-Fund may use derivatives for reducing risks (hedging) and costs only. The Receiving Sub-Fund intends to use core derivatives only (see "How the Funds Use Instruments and Techniques" in the Prospectus). The Receiving Sub-Fund may use securities lending (0-10% of total net assets expected, 33% maximum). The Receiving Sub-Fund cannot enter into total return swaps, repurchase agreements, and reverse repurchase agreements.
Strategy (investment philosophy)	In actively managing the Merging Sub-Fund, the investment manager uses fundamental analysis to identify companies whose securities may offer the best value relative to their underlying assets and earnings or have above-average growth potential (bottom-up approach). The investment manager also considers forecasted fundamental inflections and macroeconomic, geopolitical and country risk factors to achieve geographical and sectoral diversification at the portfolio level (top-down approach). The Merging Sub-Fund is not benchmark-constrained and its performance may	In actively managing the Receiving Sub-Fund, the investment manager uses fundamental analysis to identify companies whose securities may offer the best value relative to their underlying assets and earnings or have above-average growth potential (bottom-up approach). The investment manager also considers forecasted fundamental inflections and macroeconomic, geopolitical and country risk factors to achieve geographical and sectoral diversification at the portfolio level (top-down approach). The Receiving Sub-Fund is not

	Merging Sub-Fund	Receiving Sub-Fund
	deviate significantly from that of the benchmark.	benchmark-constrained and its performance may deviate significantly from that of the benchmark.
Strategy (sustainability approach)	The investment manager actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third party ESG providers to assess and quantify ESG performance for issuers, supplementing third party research with proprietary research conducted by the investment manager including utilising a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. Key ESG topics may include, but are not limited to: energy usage and renewables, water usage, emissions, diversity and gender equality, labour and human rights, employee and tenant health, wellness and safety and company ESG governance and disclosure. In an effort to drive positive change and encourage companies to improve their performance on material ESG issues, the investment manager may approach company management with competitive insights, financially sound business cases and practical solutions to potentially improve their real estate operations. 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 manager 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 10% of company revenue: • owning or operating real estate used for for-profit prisons • owning or operating real estate used to manufacture cannabis • manufacturing or production of tobacco • manufacturing or production of coal mining • manufacturing or production of controversial weapons and civilian firearms • manufacturing or production of Arctic oil and gas Investments shall not knowingly include the following companies that: • have a notable controversy related to their operations and/ or products, where the severity of the social or environmental impact of the controversy, is judged by the investment manager • fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement • do not have at least one female board member The investment manager references third party ESG data and its own proprietary research during the security research process. The investment manager will review controversy cases (such as the exclusions noted above) that it views as being very severe using ratings by relevant ESG data providers and internal research. However, in some cases data on specific issuers or the exclusions	The investment manager actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third party ESG providers to assess and quantify ESG performance for issuers, supplementing third party research with proprietary research conducted by the investment manager including utilising a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. Key ESG topics may include, but are not limited to: energy usage and renewables, water usage, emissions, diversity and gender equality, labour and human rights, employee and tenant health, wellness and safety and company ESG governance and disclosure. In an effort to drive positive change and encourage companies to improve their performance on material ESG issues, the investment manager may approach company management with competitive insights, financially sound business cases and practical solutions to potentially improve their real estate operations. 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 manager 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 10% of company revenue: • owning or operating real estate used for for-profit prisons • owning or operating real estate used to manufacture cannabis • manufacturing or production of tobacco • manufacturing or production of coal mining • manufacturing or production of controversial weapons and civilian firearms • manufacturing or production of Arctic oil and gas Investments shall not knowingly include the following companies that: • have a notable controversy related to their operations and/ or products, where the severity of the social or environmental impact of the controversy, is judged by the investment manager • fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement • do not have at least one female board member (excluding companies located in Japan) The investment manager references third party ESG data and its own proprietary research during the security research process. The investment manager will review controversy cases (such as the exclusions noted above) that it views as being very severe using ratings by relevant ESG data providers and internal research. However, in some cases data on specific issuers or the exclusions noted above

	Merging Sub-Fund	Receiving Sub-Fund
	noted above may not be readily available and/or may be estimated by the investment manager using reasonable estimates. For more information on sustainability, see the Merging Sub-Fund's sustainability annex and the "Sustainable Investing" section on page 178 of the Prospectus.	may not be readily available and/or may be estimated by the investment manager using reasonable estimates. For more information on sustainability, see the Receiving Sub-Fund's sustainability annex and the "Sustainable Investing" section on page 178 of the Prospectus.
Benchmark	See the KID for information on the benchmark that is used for performance comparison (*i.e.*, an index for providing context for the Merging Sub-Fund's financial performance). See page 178 of the Prospectus for usage definitions.	See the KID for information on the benchmark that is used for performance comparison (*i.e.*, an index for providing context for the Receiving Sub-Fund's financial performance). See page 178 of the Prospectus for usage definitions.
Base Currency	EUR	USD

(b) Risk monitoring approach

	Merging Sub-Fund	Receiving Sub-Fund
Global exposure methodology	Commitment	Commitment
Reference portfolio	N/A	N/A
Expected gross leverage	N/A	N/A

(c) SRI

Merging Sub-Fund	Receiving Sub-Fund
5	5

(d) Investor profile

Merging Sub-Fund	Receiving Sub-Fund
Investors who understand the risks of the Merging Sub-Fund and plan to invest for the long term. The Merging Sub-Fund may appeal to investors who: • are looking for long-term investment growth • seek income whether in the form of capital appreciation or distributions • are interested in exposure to developed real estate markets, either for a core investment or for diversification • accept the risks associated with this type of investment	Investors who understand the risks of the Receiving Sub-Fund and plan to invest for the long term. The Receiving Sub-Fund may appeal to investors who: • are looking for long-term investment growth • seek income whether in the form of capital appreciation or distributions • are interested in exposure to real estate markets globally, either for a core investment or for diversification • accept the risks associated with this type of investment

(e) Emerging market custody fees

Merging Sub-Fund	Receiving Sub-Fund
N/A	N/A

(f) Sub-investment manager

Merging Sub-Fund	Receiving Sub-Fund
MSIM Inc.	MSIM Inc. and MSIM Company

(g) Recommended holding period

Merging Sub-Fund	Receiving Sub-Fund
Long-term (5 years)	Long-term (5 years)

(h) Income distribution (gross)

Merging Sub-Fund	Receiving Sub-Fund
2.79%	3.32%

(i) Merging and receiving share classes – features and characteristics

Share classes of the Merging Sub-Fund will merge into the corresponding share classes of the Receiving Sub-Fund, as set out below.

All accrued income will be prefunded by the Management Company to ensure sufficient fund to pay redemption proceed and subsequent receipt of those accrued interest will be paid back to the Management Company.

Each of the merging and receiving share classes has identical features in terms of distribution policy and minimum investment criteria, except for their level of management fees. Due to increased complexity of managing across a larger number of countries, the management fee of all share classes of the Receiving Sub-Fund are currently slightly higher than the management fee of the share classes of the Merging Sub-Fund. However, the level of management fees of the share classes of the Receiving Sub-Fund will decrease on the Repositioning Date, as shown in the table below. Please note that the difference in management fee between the Merging Sub-Fund and the Receiving Sub-Fund will be waived for shareholders of the Merging Sub-Fund for the period from the Merger Date to the Repositioning Date.

As set out above, the base currency of the Merging Sub-Fund is EUR and of the Receiving Sub-Fund is USD. Please note that as a result of the merger, shareholders of the Merging Sub-Fund will transition to holding shares in the Receiving Sub-Fund which has a different base currency to that of the Merging Sub-Fund. The share class mapping set out below, detailing the corresponding merging and receiving share classes, retains investors exposure via the base currency of the Receiving Sub-Fund without the introduction of currency hedging. As a result, an investors base currency exposure will change, however, operationally trading in EUR can be supported via a currency conversion where required. For example, if you are currently in a EUR share class and transition to a USD share class, you will continue to be able to trade in EUR with a currency conversion (FX Trade) executed at the time of the trade.

Share class	Management fee (% per annum)		
	Current level		As from the Repositioning Date
	Merging Sub-Fund	Receiving Sub-Fund	Receiving Sub-Fund
A and B	1.40	1.50	1.25
C	2.20	2.30	1.65
I and Z	0.75	0.85	0.50

To assist your understanding of the comparison between the relevant share classes of the Merging Entities, details of the corresponding merging and receiving share classes have been reproduced in the tables below (taking into account the new level of management fees for the Receiving Sub-Fund as from the Repositioning Date):

Characteristics	Merging Sub-Fund	Receiving Sub-Fund
	Share class	Share class
	A	A
ISIN	LU0078113650	LU0266114312
Management fee (%)	1.40	1.25
Contingent deferred sales charge	N/A	N/A
Hedging	Unhedged	Unhedged
Hedging expenses	N/A	N/A
Distribution policy	Accumulation	Accumulation
Ongoing charge (%)	1.64	1.49
Publication of NAV	EUR, USD, and GBP	EUR, USD, and GBP

Characteristics	Merging Sub-Fund	Receiving Sub-Fund
	Share class	Share class
	AH (USD)[1]	A[1]
ISIN	LU1209887436	LU0266114312
Management fee (%)	1.40	1.25

[1] Please note that investors in the AH share class of the Merging Sub-Fund are currently in a NAV hedged share class hedging from EUR to USD. Given that the base currency of the Receiving Sub-Fund is USD, no hedging to USD is required in the Receiving Sub-Fund share class.

Characteristics	Merging Sub-Fund Share class AH (USD)[1]	Receiving Sub-Fund Share class A[1]
Contingent deferred sales charge	N/A	N/A
Hedging	Hedged	Unhedged
Hedging expenses	0.03	N/A
Distribution policy	Accumulation	Accumulation
Ongoing charge (%)	1.67	1.49
Publication of NAV	USD	EUR, USD, and GBP

Characteristics	Merging Sub-Fund Share class AX	Receiving Sub-Fund Share class AX
ISIN	LU0988535968	LU0266115392
Management fee (%)	1.40	1.25
Contingent deferred sales charge	N/A	N/A
Hedging	Unhedged	Unhedged
Hedging expenses	N/A	N/A
Distribution policy	Non-discretionary distribution	Non-discretionary distribution
Ongoing charge (%)	1.64	1.49
Publication of NAV	EUR and USD	EUR and USD

Characteristics	Merging Sub-Fund Share class B	Receiving Sub-Fund Share class B
ISIN	LU0078114898	LU0266114585
Management fee (%)	1.40	1.25
Contingent deferred sales charge	Up to 4%	Up to 4%
Hedging	Unhedged	Unhedged
Hedging expenses	N/A	N/A
Distribution policy	Accumulation	Accumulation
Ongoing charge (%)	2.64	2.49
Publication of NAV	EUR and USD	EUR and USD

Characteristics	Merging Sub-Fund Share class C	Receiving Sub-Fund Share class C
ISIN	LU0176162773	LU0362497223
Management fee (%)	2.20	1.65
Contingent deferred sales charge	Up to 1%	Up to 1%
Hedging	Unhedged	Unhedged
Hedging expenses	N/A	N/A
Distribution policy	Accumulation	Accumulation
Ongoing charge (%)	2.44	1.89
Publication of NAV	EUR and USD	EUR and USD

Characteristics	Merging Sub-Fund Share class I	Receiving Sub-Fund Share class I
ISIN	LU0078115192	LU0266114668
Management fee (%)	0.75	0.50
Contingent deferred sales charge	N/A	N/A
Hedging	Unhedged	Unhedged
Hedging expenses	N/A	N/A
Distribution policy	Accumulation	Accumulation
Ongoing charge (%)	0.94	0.69
Publication of NAV	EUR and USD	EUR and USD

Characteristics	Merging Sub-Fund Share class Z	Receiving Sub-Fund Share class Z
ISIN	LU0360481740	LU0360485493
Management fee (%)	0.75	0.50
Contingent deferred sales charge	N/A	N/A
Hedging	Unhedged	Unhedged
Hedging expenses	N/A	N/A
Distribution policy	Accumulation	Accumulation
Ongoing charge (%)	0.86	0.61
Publication of NAV	EUR and USD	EUR, USD, and GBP