

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE

**NOTICE TO SHAREHOLDERS
OF THE
SUSTAINABLE EMERGING MARKETS EQUITY FUND**

Luxembourg, 28 March 2025

Dear shareholder,

We are writing to you because you are an investor in the Sustainable Emerging Markets Equity Fund (the “**Fund**”), a sub-fund of Morgan Stanley Investment Funds (the “**SICAV**”).

Given the evolving nature of the ESG/sustainability regulatory landscape, the board of directors of the SICAV (the “**Board**”) has decided to make certain changes to the sustainability characteristics of the Fund, including the clarification of the overall description of the sustainability approach applied by the Fund. The Board has further decided to amend the investment policy of the Fund, notably to allow the Fund to slightly deviate from its investment policy and invest in cash and cash equivalent in unusual conditions.

More detailed information about these changes, including the timing and options available to you, appears below. Please take a moment to review the important information below. If you still have questions, please contact us at the registered office in Luxembourg, the investment manager, or your local representative.

The changes do not amount to a material change to the Fund. There is no material change or increase in the overall risk profile of the Fund. The changes do not have any material adverse impact on the rights or interests of the holders of the Fund.

We value you as a shareholder and sincerely hope you will continue to invest with us.

Yours sincerely

The Board

Changes

Investment policy

- The minimum threshold for securities issued by companies deriving a certain revenue from or having a certain amount of assets, core business operations or employees in emerging markets to be invested in by the Fund as part of its primary bucket will be reduced from 50% to 35%. The Fund will no longer invest in bonds as part of its defensive approach in the event of unusual economic, financial or political conditions. In such event and on a temporary basis, the Fund will now be able to invest in cash and cash equivalents.

Sustainability approach

- The Fund will reduce its minimum commitment of investments aligned with the environmental and/or social characteristics it promotes from 90% to 80% of the portfolio.
- The Fund will apply additional exclusions and/or adjust thresholds for existing exclusions in order to ensure that the Fund can meet relevant jurisdiction-specific requirements and the exclusions of the Paris Aligned Benchmark (the “**PAB Exclusions**”).
- The Fund will increase its commitment to invest in sustainable investments from 20% to 35% of its portfolio.
- The Fund will no longer exclude state owned enterprises.

The Fund will continue to be classified as Article 8 under SFDR.

These amendments are reflected in the Sustainability Annex dedicated to the Fund, included in the prospectus of the SICAV (the “**Prospectus**”), where appropriate. The changes will be included in the product key facts statements (the “**KFS**”) of the Fund as soon as reasonably practicable.

Your Options

- 1) **Take no action**, if you are comfortable with the proposed changes.
- 2) **Exchange or redeem your investment, in accordance with the terms of the Prospectus.** Exchanges and redemptions will be processed free of charge, with the exception of any applicable contingent deferred sales charges, so long as we receive your dealing instructions before the deadline shown below.

If you opt for exchanging your investment, please ensure that you read the Prospectus and the KFS for any other fund of the SICAV that you are considering converting into.

Key Dates

28th March 2025, 1pm CET

- Free exchange/selling period begins.



25th April 2025, 1pm CET

- Free exchange/selling period ends.



28th April 2025

- Changes become effective.

Other Information

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 revised Hong Kong offering documents (including the Prospectus and the KFS of the Fund) will be available to investors, free of charge, on the SICAV’s websites, at the office of the Hong Kong Representative, Morgan Stanley Asia Limited (contacts are set out below). Hong Kong residents who require further information, please contact Morgan Stanley Asia Limited, of Floor 41, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or on (852) 2848 6632. 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.

Please be aware that we are not in a position to provide investment advice. If you are uncertain as to how the changes may affect you, you should consult a financial adviser.