

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

NOTICE TO SHAREHOLDERS OF MORGAN STANLEY INVESTMENT FUNDS US PROPERTY FUND

1 October 2024

Dear Shareholders,

The board of directors (the “**Board of Directors**”) of Morgan Stanley Investment Funds (the “**SICAV**”) wishes to notify you that Morgan Stanley Investment Funds US Property Fund (the “**Sub-Fund**”) has been scheduled for liquidation with effect from on or around 15 November 2024 (the “**Effective Date**”) in accordance with the section “**Liquidations and mergers**” in the prospectus of the SICAV (the “**Prospectus**”) and article 24 of the articles of incorporation of the SICAV. We will also apply to the Securities and Futures Commission (the “**SFC**”) for the withdrawal of authorisation of the Sub-Fund and its offering documents after such liquidation.

Please take a moment to review the important information in relation to the liquidation of the Sub-Fund and its implications below. **Please be aware that we are not in a position to provide investment advice.** Please contact your financial advisor if you have any questions on the content of this notice. The liquidation of the Sub-Fund may impact your tax situation. Shareholders should contact their tax advisor for specific tax advice in relation to the liquidation of the Sub-Fund. We value you as a shareholder of the Fund (the “**Shareholder**”) and sincerely hope you will continue to invest with us.

Capitalized terms not defined herein have the same meaning as in the Prospectus.

(A) Background and rationale for the liquidation of the Sub-Fund

Following a review by the Board of Directors, it was concluded that the net assets value of the Sub-Fund has fallen below a level that allows an efficient and rational management and the fund size of the Sub-Fund is expected to continue to decrease due to the absence of forward-looking sales estimate, therefore the Board of Directors considers it is in the best interest of the Shareholders to liquidate the Sub-Fund on the Effective Date.

(B) Latest information of the Sub-Fund

As of 14 August 2024, the latest fund size of the Sub-Fund is USD47 million and the total expense ratio of the Sub-Fund is 1.64%.

The total expense ratio is based on the management fees, the administration charges and tax d'abonnement as the basis of calculation.

The unamortised preliminary expenses of the Sub-Fund is around USD50,000 upon termination, which will be borne by the Management Company.

(C) Implications of liquidation of the Sub-Fund

The Sub-Fund will no longer be allowed to be marketed to the public in Hong Kong and shall not accept subscription or conversion into the Sub-Fund from new investors with effect from the date of this notice. Subsequent to the liquidation, the Sub-Fund will apply for withdrawal of authorisation with the SFC.

(D) Estimated costs and expenses of liquidation of the Sub-Fund

The Sub-Fund will bear the securities transaction costs associated with the liquidation, which is estimated to be around USD50,000. To ensure fairness, from the date of this notice, all redemptions from, and conversions out of, the Sub-Fund will be subject to swing pricing. This mechanism ensures all Shareholders share the costs of liquidating the Sub-Fund's investments proportionately, preventing remaining Shareholders who remain investing in the Sub-Fund until the Effective Date from bearing all those costs associated with the liquidation of the Sub-Fund.

All other costs and expenses associated with the liquidation of the Sub-Fund and subsequent withdrawal of authorisation with the SFC after the liquidation (including legal, advisory and administrative costs and all other

expenses associated with the preparation and completion of the liquidation and subsequent withdrawal of authorisation with the SFC), which are estimated to be around USD50,000, will be borne by the Management Company.

(E) Taxation

The liquidation and subsequent withdrawal of authorisation with the SFC of the Sub-Fund may have tax consequences for Shareholders. Generally, Shareholders will not be subject to any Hong Kong tax on capital gains realised on the redemption or switching of any shares. Shareholders should consult their professional advisers about the consequences of the liquidation and subsequent withdrawal of authorisation on their individual tax position.

ACTIONS TO BE TAKEN BY YOU

From the date of this notice, you may choose to:

- 1. At any time before the Dealing Deadline (as defined below) switch your existing shares in the Sub-Fund to another SFC-authorized sub-fund of the SICAV free of charge. *Important: Authorization by the Securities and Futures Commission is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of a Sub-Fund or its performance. It does not mean the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.*** We must receive your dealing instructions by the deadlines shown in the right-hand column. Be sure to read the Key Facts Statement (KFS) for any SFC-authorized sub-fund of the SICAV that you are considering switching into, and for further information, all the Hong Kong offering documents of the respective sub-funds (including the Prospectus and KFS); or
- 2. At any time before the Dealing Deadline redeem your existing shares in the Sub-Fund free of charge.** We must receive your dealing instructions by the deadlines shown in the right-hand column; or
- 3. Take no action and continue to hold the shares in the Sub-Fund as at the Dealing Deadline and receive the liquidation proceeds (as explained below) automatically within 3 business days from the Effective Date.** Any shares of the Sub-Fund that you still own after the Dealing Deadline will be compulsorily redeemed free of charge. We will send the liquidation proceeds to the address of record on your account soon afterward within 3 business days from the Effective Date.

Regardless of which option you choose, the Sub-Fund will not charge any redemption or conversion fees. Contingent deferred sales charges, if applicable, will be waived.

THE LIQUIDATION

Dealing Deadline for receipt of switch/redemption orders: 8 November 2024 at 1:00PM CET (the “**Dealing Deadline**”)

Effective Date: On or around 15 November 2024

Where unclaimed liquidation proceeds will be deposited: *Caisse de Consignation*, Luxembourg until the statute of limitation has lapsed.

The Prospectus, KFS and the most recent financial reports are available at morganstanleyinvestmentfunds.com or from the registered office of the SICAV.

Please note that if you deal via any bank, relevant distributor or financial adviser, they may separately charge you transaction or adviser fees (as the case may be) in respect of any such request. They may also impose different dealing deadlines for receiving investors' requests. You should check with such distributor or financial adviser, as necessary.

TIMELINE

1 October 2024

- Issuance of Notice to Shareholders.
- The Sub-Fund stops accepting subscription or conversion into the Sub-Fund from new investors.



**8 November 2024,
1:00PM CET**

- The Sub-Fund stops accepting orders to switch out of the Sub-Fund or redeem shares from existing Shareholders.



On or around 15 November 2024

- Effective Date of liquidation of the Sub-Fund.
- Liquidation proceeds will be paid out within 3 business days from the Effective Date.

(F) Liquidation of the Sub-Fund

If the Management Company believes it is in the best interests of Shareholders as a group, it may sell some of the Sub-Fund's investments prior to the Effective Date and invest the proceeds in cash or cash equivalents in order to ensure that the Sub-Fund will be liquidated in an orderly manner. While this would potentially cause the Sub-Fund to deviate to some extent from its investment objective and/or UCITS diversification requirements, it would be done in order to ensure that the Sub-Fund has all sale proceeds in hand so that it could distribute payments to those investors who still own shares on the Effective Date.

Payments for your redeemed shares will be made by the SICAV on a pro rata basis in relation to your portion of shares in the Sub-Fund in the reference currency of the Sub-Fund (or of the hedged share class, if applicable), potentially in multiple instalments, generally within 3 business days from the Effective Date, at a price based on the net asset value per share (taking into account actual realisation prices of investments and realisation expenses) calculated at the valuation point of the Effective Date. When market conditions are unfavourable or where the Board of Directors considers such action to be in the best interests of the Shareholders, payments of your redeemed shares may be made after 3 business days from the Effective Date and in any event within the timeline outlined in the Prospectus, potentially in multiple instalments, in the same manner as outlined above. After redemption, Shareholders will have no further claim on the fund or the SICAV.

If complete liquidation is delayed for reasons of insufficient liquidity, an interim payment may be made as soon as reasonably practicable, based on available cash after liabilities are deducted, with the exact amount confirmed by the Board of Directors.

The Board of Directors accepts responsibility for the accuracy of the information contained in this notice.

Should you have any questions or concerns about the foregoing, please contact the SICAV at its registered office in Luxembourg or the representative of the SICAV in your jurisdiction. Hong Kong residents who require further information, please contact the Hong Kong Representative Morgan Stanley Asia Limited, of Level 46, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or on (852) 2848 6632.

The revised Hong Kong offering documents (including the Prospectus and KFS) reflecting the above changes will be available for inspection to investors, free of charge, at the Hong Kong Representative's office.

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 of Directors