

This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice.

The following change(s) in investment choice(s) relate(s) to the “FLEXI Series” investment plans, including FLEXI-Invest Insurance Plan, FLEXI-Education InvestPlan and FLEXI-Annuity Investment Plan.

Appointment of Management Company and Change in Fee Structure of the Underlying Funds

Global Bond Fund MS (MSBO), Global Steady Fund MS (MSST), Global Balance Fund MS (MSBA) and Global Growth Fund MS (MSGR)

As advised by Morgan Stanley Investment Management Limited, the board has decided to appoint Morgan Stanley Investment Management (ACD) Limited, as management company to Morgan Stanley Investment Funds with effect from April 1, 2014.

In addition, the fee structure of Morgan Stanley Investment Funds will be revised, with effect from April 1, 2014, in order to provide more transparency in relation to the fees and charges applicable by (i) centralizing the payment of charges and fees with the management company, and (ii) effectively capping the total fees, costs and expenses.

You should refer to the relevant prospectuses and the notice to shareholders of the underlying fund(s) of the above investment choice(s) in relation to the above changes, which are made available by MassMutual Asia Ltd. upon request.

If you have selected the above investment choice(s) under your insurance policy and if for any reason you wish to change to other investment choice(s), you may switch your investment choice(s) to other available investment choice(s) provided by your policy. Please note that bid-offer spread and switching charge are applicable for switching between investment choices. For details, please refer to Investment Choice Brochure or contact MassMutual Asia Ltd at (852) 2919 9797 (Hong Kong)/ (853) 2832 2622 (Macau).

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

MORGAN STANLEY INVESTMENT FUNDS

Société d'Investissement à Capital Variable

Registered office: 6B, route de Trèves, L-2633 Senningerberg

R.C.S. Luxembourg: B 29 192

(The "**Company**")

NOTICE

Luxembourg, 27 February 2014

Dear Shareholder,

Following the publication of CSSF Circular 12/546, the board of directors of the Company (the "**Board**") has determined that the appointment of a management company from the Morgan Stanley group is in the best interest of the Company and its shareholders.

The Board has further decided to proceed with some other material amendments to the prospectus of the Company (the "**Prospectus**") further disclosed under section II below.

**I. APPOINTMENT OF MORGAN STANLEY INVESTMENT MANAGEMENT (ACD) LIMITED AS
MANAGEMENT COMPANY**

The Board has decided to appoint Morgan Stanley Investment Management (ACD) Limited, regulated in the UK by the Financial Conduct Authority and having its registered office at 25 Cabot Square, London, E14 4QA, United Kingdom, as management company to the Company (the "**Management Company**") with effect from 1 April 2014 (the "**Effective Date**").



The Company will delegate to the Management Company, under the overall supervision and control of the Board, its investment management services, administrative agency, registrar and transfer agency services as well as marketing, principal distribution and sales services, as more specifically detailed in the management company services agreement entered into with the Management Company as well as in the Prospectus.

The Management Company will in turn delegate at all times the investment management functions to Morgan Stanley Investment Management Limited (with respect to all Funds except the Liquidity Funds), and Morgan Stanley & Co. International plc (with respect to the Liquidity Funds, which are not authorized by the Securities and Futures Commission for offer to the public in Hong Kong), the Company's current investment advisers. The central administration functions will be delegated by the Management Company to the Company's current central administration, J.P. Morgan Bank Luxembourg S.A., and the registrar and transfer agent function to RBC Investors Services Bank S.A., the Company's current registrar and transfer agent, and the distribution function to Morgan Stanley Investment Management Limited, the Company's current principal distributor.

There will be no impact to the Company or its shareholders in the continuity of services or service providers performing these functions.

With effect from the Effective Date, the risk management process will be implemented by the Management Company in order to comply with its obligations under the UCITS Directive. The Management Company may calculate global exposure for the Funds using the commitment approach, relative VaR or absolute VaR.

II. CHANGE IN FEE STRUCTURE

In addition, the fee structure of the Company will be revised.

Under the current fee structure the Funds are subject to an Investment Advisory Fee, a Distribution Fee (the Distribution Fee is payable to the Distributor in relation to Class B shares only. Class B shares are not available to Hong Kong investors, and the Distribution Fee therefore has no impact on Hong Kong investors) and a Shareholder Service Fee. In addition, a number of fees under "other operating costs and expenses" are currently charged to the Funds (for example, legal and audit fees). The Board has sought to provide more transparency in relation to the fees and charges applicable by (i) centralising the payment of charges and fees with the Management Company, and (ii) effectively capping the total fees, costs and expenses, so that from the Effective Date, the Funds will be subject to the following:

- (a) a Management Fee at the levels, which will be up to 3% of the average daily net assets;



(b) a monthly Administration Charge at a current maximum annual rate of 0.25%;

(c) a Distribution Fee (payable to the Distributor in relation to class B shares only. Please note that Class B Shares are not made available to Hong Kong investors, and the Distribution Fee has therefore no impact on Hong Kong investors), and;

d) Specific Additional Costs payable by certain sub-funds and share classes, including, without limitation the Luxembourg subscription tax ("*taxe d'abonnement*"), additional custody fees applicable to investment in emerging markets, hedging expenses and the costs relating to the subsidiaries.

The Management Fee covers the fees of the principal distributor and the Investment Adviser (together formerly known as the Investment Advisory Fee), while the Administration Charge covers the fees of the Management Company¹, Administrator, the Registrar and Transfer Agent, the Custodian and certain other expenses incurred in the operation of the Funds (for instance, legal and audit fees).

There will no longer be a Shareholder Service Fee under the new fee structure.

The Management Fee, Administration Charge and Specific Additional Costs are paid to the Management Company, which will then remunerate the Company's service providers and pay the Company's operating expenses accordingly.

This revised structure provides more certainty for investors, as all costs are contained within the Management Fee, the Administration Charge and the Specific Additional Costs, except for the limited additional costs, which includes transaction fees (each sub-fund bears the costs transaction related expenses, which may include the buying and selling of portfolio securities and financial instruments for instance), and extraordinary expenses (which may include litigation expenses and taxes for instance).

III. DISTRIBUTION OF FINANCIAL STATEMENTS AND REPORTS

With effect from the Effective Date, the audited reports in respect of the preceding financial year and the unaudited semi-annual reports for Morgan Stanley Investment Funds in English, will no longer be mailed to investors, the reports however remain available to Hong Kong investors within 4 months and 2 months of the end of the financial year respectively on the Company's website (www.morganstanley.com/im) and at the registered office of Morgan Stanley Asia Limited at Floor

¹ Whilst the Management Company will delegate its investment management functions to the Investment Adviser, it will be providing other functions including general management, monitoring of service providers that it appoints, and will receive a fee for such services.



41, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

IV. AMENDMENT TO INVESTMENT OBJECTIVES OF THE FOLLOWING SUB-FUNDS

The Board has further decided to implement the following changes to the Prospectus with effect as of 1 April 2014 (the “**Effective Date**”):

1.1. Morgan Stanley Investment Funds Asian Equity Fund (the “Fund”)

As of the Effective Date, the investment objective and policy of the Fund will be amended to expand the ancillary strategies of investment in International Depository Receipts (IDRs) and other collective schemes and to clarify the region of investment. The changes are as reflected in strike-through and underline below, and shall as a result be read as follows:

“The Asian Equity Fund’s investment objective is to seek long term capital appreciation, measured in US Dollars, through investment primarily in the equity securities of companies domiciled in or exercising the predominant part of their economic activity in Asia, excluding Japan, thereby taking advantage of the dynamic economic growth capabilities of the region. The Fund invests in established developed and emerging markets of the region, such as South Korea, Taiwan, Singapore, Malaysia, Hong Kong and Thailand but additional opportunities are also sought, whenever regulations permit, in any of the emerging markets and frontier markets in Asia. The Fund may also invest on an ancillary basis in depository receipts (including American Depository Receipts (ADRs), Global Depository Receipts (GDRs), International Depository Receipts (IDRs) and European Depository Receipts (EDRs)), debt securities convertible into common shares, preference shares, debentures, warrants, collective investment schemes including closed-end funds and the Company’s Funds, and securities not widely traded.”

1.2. Morgan Stanley Investment Funds Emerging Markets Equity Fund (the “Fund”)

As of the Effective Date, the investment objective and policy of the Fund will be revised to clarify the definition of regions and to clarify the ancillary investments. The changes are as reflected in strike-through and underline below, and shall as a result be read as follows:

Emerging Markets Equity Fund

The Emerging Markets Equity Fund’s investment objective is to seek to maximise total return, measured in US Dollars, through investment primarily in emerging market country equity securities. The Fund will principally invest in those emerging market countries in which the Company believes that economies are developing strongly and in which the markets are becoming more sophisticated.



~~Such countries include Argentina, Botswana, Brazil, Chile, China, Colombia, Greece, Hungary, India, Indonesia, Jamaica, Jordan, Kenya, Malaysia, Mexico, Nigeria, Pakistan, the Philippines, Poland, Portugal, the Russian Federation, South Africa, South Korea, Sri Lanka, Taiwan, Thailand, Turkey, Venezuela and Zimbabwe. “Emerging Market” countries, for the purposes of this Fund, are as defined by the MSCI Emerging Market Index, provided that the markets of these countries are considered to be recognised exchanges (“Recognised Exchanges”) within the meaning of Article 41(1) of the 2010 Law. As marketsTo achieve its principal investment in otherEmerging Market countries develop, the Fund expects to expand and further diversify the emerging markets in which it invests. Investments in securities listed on exchanges which are not Recognised Exchanges shall be treated as investments in non-listed securities (see Appendix A – Investment Powers and Restrictions) until such time as such exchanges are deemed to be Recognised Exchanges. The Fund may invest in the securities of companies organised and located in Emerging Market countries other than an emerging market and may also invest in the securities of companies organised and located in Developed Market countries (for the purposes of this Fund, as defined by MSCI World) where the value of the company's securities will reflect principally conditions in an emerging country, or where the principal securities trading market for which is in emerging country, or where at the time of purchase 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in emerging countries. The Fund may invest in debt securities convertible into common shares, preference shares and other equity linked instruments. To the extent the Fund's assets are not invested in emerging market equity or equity linked investments, the remainder of the assets may be invested in, or in other equity linked instruments located in Developed Markets but providing exposure to Emerging Markets (for example depositary receipts) (“EM Exposed Securities”).~~

The Fund may invest on an ancillary basis in eligible Frontier Markets equity (meaning those countries that are neither Developed Markets nor Emerging Markets as such terms are defined above for this Fund). The Fund may also invest on an ancillary basis in units/shares of other collective investment schemes, including the Company's Funds as well as in closed-end funds, debt securities convertible into common shares and preference shares, in each case to gain exposure to Emerging Markets or Frontier Markets. The Fund may also invest on an ancillary basis in and debt securities. For temporary defensive purposes, during periods in which the Company believes changes in economic, financial or political conditions make it advisable, the Fund may reduce its holdings in emerging country equity securities to below 50% of the Fund's assets and invest in other equity securities in Developed Market countries (whether EM Exposed Securities or not) or in debt securities. (whether providing exposure to Emerging Markets or Developed Markets).

1.3. Morgan Stanley Investment Funds Emerging Markets Debt Fund (the “Fund”)

As of the Effective Date, the investment objective and policy of the Fund will be revised to clarify the definition of regions and to clarify the ancillary investments. The changes are as reflected in strike-through and underline below, and shall as a result be read as follows:



Emerging Markets Debt Fund

The Emerging Markets Debt Fund's investment objective is to seek to maximise total return, measured in US Dollars, primarily through investment in the debt securities of government and government-related issuers located in ~~emerging~~ Emerging Market countries (including, to the extent these instruments are securitised, participations in loans between governments and financial institutions), and ~~to the extent such securities comply with Article 41(1) of the 2010 Law,~~ the Fund may invest in debt securities of entities organised to restructure outstanding debt of such issuers, together with investing in the debt securities of corporate issuers located in or organised under the laws of ~~emerging~~ Emerging Market countries. The Fund intends to invest its assets in ~~emerging~~ Emerging Market country debt securities that provide a high level of current income, while at the same time holding the potential for capital appreciation ~~if the perceived creditworthiness of the issuer improves due to improving economic, financial, political, social or other conditions in the country in which the issuer is located.~~

~~Such "Emerging Market" countries include Algeria, Argentina, Brazil, Bulgaria, Chile, China, Colombia, Costa Rica, Czech Republic, Dominican Republic, Ecuador, Egypt, Greece, Hungary, India, Indonesia, Ivory Coast, Jamaica, Jordan, Malaysia, Mexico, Morocco, Nicaragua, Nigeria, Pakistan, Panama, Paraguay, Peru, for the Philippines, Poland, Portugal, purposes of this Fund, are as defined by the Russian Federation, Slovakia, South Africa, Thailand, Trinidad & Tobago, Tunisia, Turkey, Uruguay and Venezuela, JP Morgan Emerging Markets Bond Index Global~~ provided that the markets of these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. As markets in other countries develop, the Fund expects to expand and further diversify the emerging markets in which it invests. ~~Investment in securities listed on exchanges which are not Recognised Exchanges shall be treated as investments in non-listed securities (see Appendix A Investment Powers and Restrictions) until such time primarily invests as such exchanges~~ markets are deemed ~~added~~ to be Recognised Exchanges. The this index. To achieve its principal investment in Emerging Market countries, the Fund may invest in the securities of companies organised and located in countries ~~other than an emerging market~~ Emerging Market countries and may also invest in the securities of companies organised and located in Developed Market countries (for the purpose of this Fund, as defined by JP Morgan Government Bond Index) where the value of the company's securities will reflect principally conditions in an ~~emerging~~ Emerging Market country or where the principal securities trading market for which is in an emerging country, or where 50% of the company's revenues alone or on a consolidated basis is derived from either goods produced, sales made or services performed in ~~emerging~~ Emerging Market countries. ~~Emerging market debt ("EM Exposed Securities")~~ Debt securities held by the Fund will take the form of bonds, notes, bills, debentures, convertible securities, bank debt obligations, short-term paper, mortgage and, subject to applicable law, other asset-backed securities, loan participations and loan assignments (to the extent that these instruments are securitised) and interests issued by entities organised and operated for the purpose of restructuring the investment characteristics of instruments issued by emerging market issuers.



The Fund may also invest, to a limited extent, in warrants issued by emerging market issuers. With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes. The Fund may also invest on an ancillary basis in the aforementioned debt securities where such securities are issued by issuers organised and located (1) in neither Developed Market countries nor Emerging Market countries; or (2) in Developed Market countries but the securities are not EM Exposed Securities.

1.4. Morgan Stanley Investment Funds Emerging Markets Domestic Debt Fund (the “Fund”)

As of the Effective Date, the investment objective and policy of the Fund will be revised to clarify the definition of regions and to clarify the ancillary investments. The changes are as reflected in strike-through and underline below, and shall as a result be read as follows:

Emerging Markets Domestic Debt Fund

The Emerging Markets Domestic Debt Fund’s investment objective is to seek to maximise total return primarily through investment in a portfolio of ~~emerging market~~Emerging Market bonds and other ~~emerging market~~Emerging Market debt securities, denominated in the local currency of issue.

The Fund intends to invest its assets in ~~emerging market~~Emerging Market debt securities that provide a high level of current income, while at the same time holding the potential for capital appreciation.

~~“Emerging markets means low or middle income~~Market” countries, ~~for the purposes of this Fund, are as classified~~defined by the ~~World Bank~~JP Morgan Government Bond Index – Emerging Markets Global Diversified, provided that the markets of these countries are considered to be recognised exchanges (“Recognised Exchanges”) within the meaning of Article 41(1) of the 2010 Law. ~~InvestmentAs markets in securities listed on exchanges other countries develop, the Fund expects to expand and further diversify the emerging markets in which are not Recognised Exchanges shall be treated~~it primarily invests as investments in non-listed securities (see Appendix A – Investment Powers and Restrictions) until such time as such exchanges~~markets are deemed to be Recognised Exchanges.~~added to this index.

~~The~~To achieve its principal investment in Emerging Market countries, the Fund may invest in debt securities of government and government-related issuers located in emerging marketsEmerging Markets countries (including, to the extent these instruments are securitised, participations in loans between governments and financial institutions) and debt securities of corporate issuers located in or organised under the laws of emergingEmerging Market countries, denominated in the local currency of issue.



To the extent such securities comply with Article 41(1) of the 2010 Law, the Fund may invest in debt securities of entities organised to restructure outstanding debt of emerging markets Emerging Market issuers.

~~Emerging market debt~~ Debt securities held by the Fund will take the form of bonds, notes, bills, debentures, convertible securities, bank debt obligations, short-term paper, mortgage and, subject to applicable law, other asset-backed securities, loan participations and loan assignments to the extent that these instruments are securitized. The Fund may also invest, to a limited extent, in warrants on transferable securities issued by issuers in emerging markets. Emerging Market countries.

The Fund may use derivatives for the purpose of efficient portfolio management, hedging and for implementing investment strategies which aim to achieve the Fund's investment objectives. Derivatives that may be used include, but are not limited to, any exchange traded futures (specifically interest rate futures), currency forwards and futures, government bond forwards, interest rate swaps, bond options, currency options, options on swaps (swaptions), credit default swaps and credit linked notes to the extent that such securities comply with Article 41(1) of the 2010 Law.

The Fund may also invest on an ancillary basis in certain ~~short term fixed interest~~ the aforementioned debt securities for tactical where such securities are issued by issuers organised and located (1) in neither Developed Market countries nor Emerging Market countries; or (2) in Developed Market countries but the securities are not EM Exposed Securities.

Finally, the Fund may invest on an ancillary basis in debt securities which are not denominated in the local currency of issue, provided that for temporary defensive purposes. Such short term investments may include obligations of high income countries as classified by the World Bank, their agencies, during periods in which the Company believes changes in economic, financial or instrumentalities, instruments issued by international development agencies, money market instruments, cash or cash equivalents such as commercial paper. political conditions make it advisable, the Fund may reduce its holdings denominated in the local Emerging Market currency of issue to below 50% of the Fund's assets and invest in eligible debt securities denominated in the currencies of Developed Market countries.



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The above changes and appointment will be implemented as from their respective Effective Date and will be reflected in the latest version of the Prospectus dated April 2014. Your right to redeem your shares is not affected and you may redeem your shareholding without any redemption or conversion charges, with the exception of applicable Contingent Deferred Sales Charges, if you do not agree to the above change as from receipt of this notice and up to 1 pm CET on 31 March, 2014.

A copy of this new Prospectus will be available upon regulatory approval.

Capitalised 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 Prospectus and the relevant Key Fact Statements will be available to investors no later than 1 April, 2014, free of charge, at the registered office of the Company or at the offices of foreign representatives. The investment management agreement will be made available to the investors upon request.

Should you have any questions or concerns about the foregoing, please contact the Company at its registered office in Luxembourg, the Investment Adviser of the Company or the representative of the Company in your jurisdiction. 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.

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.

Yours sincerely

Luxembourg, 27 February 2014

MORGAN STANLEY INVESTMENT FUNDS

By order of the Board

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