MassMutual FINANCIAL GROUP

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.

As advised by Morgan Stanley, the board of directors of Morgan Stanley Investment Funds (the "Board") has resolved to approve the following change.

Increase in the Swing Factor and Removal of Management Company's Discretion to Use an Anti-Dilution Charge for the Underlying Fund of the Investment Choices

- *Global Bond Fund MS (MSBO)*
- *Global Balance Fund MS (MSBA)*
- *Global Growth Fund MS (MSGR)*
- *Global Steady Fund MS (MSST)*

The management company of Morgan Stanley Investment Funds Global Bond Fund (the "Underlying Fund"), the underlying fund of the investment choices above believes that the most appropriate way to address potential dilution issues that arise on material subscriptions or redemptions is through swing pricing. Currently the prospectus of the Underlying Fund provides that the management company may take one or both of the following steps:

(i) adjust the net asset value of the Underlying Fund ("Swing Pricing") to reflect the estimated dealing spreads, costs and charges to be incurred by the underlying fund in liquidating or purchasing investments ("Swing Factor") to satisfy the net transactions received in respect of a particular dealing day. Under normal market circumstances, the Swing Factor shall not exceed 1% of the net asset value of the Underlying Fund on the relevant dealing day. When net subscriptions in the Underlying Fund exceed a certain threshold on a given dealing day, the net asset value is adjusted upwards by the Swing Factor. Similarly, when net redemptions in the Underlying Fund exceed a certain threshold on a given dealing day, the net asset value of the Underlying Fund is adjusted downwards by the Swing Factor; and

(ii) a fee as anti-dilution charge, of up to 2% of the amount of an individual subscription or redemption may be applied to reflect the estimated dealing spreads, costs and charges to be incurred by the Underlying Fund in liquidating or purchasing investments, which Morgan Stanley Investment Funds in its discretion may apply where it does not consider it appropriate to adjust the net asset value of the Underlying Fund through Swing Pricing or does not consider Swing Pricing alone to be an adequate solution, e.g. where a particular investor or group of investors has been the main cause of the dilution effect.

The ability to apply both measures at the same time has given rise to a number of queries from potential investors and caused confusion. The management company has applied a separate anti-dilution charge only rarely. Accordingly, the Board has resolved to remove the management company's ability to use a separate anti-dilution charge. Further, the Board has resolved to increase the Swing Factor from a maximum of 1% of the net asset value to a maximum of 2% of the net asset value of the Underlying Fund on the relevant dealing day.

This change will be effective as of August 12, 2016.

The change described above will not give rise to additional costs and expenses implications (other than costs associated with update of the prospectus of the Underlying Fund, which will be borne by Morgan Stanley Investment Funds).

You should refer to the relevant offering documents 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

Dear Shareholder,

We are writing to you as shareholder of a fund of the Company (each a "**Fund**", and collectively, the "**Funds**") to inform you that the Board of Directors of the Company (the "**Board**") has resolved to approve the following changes:

1. increase the Swing Factor from a maximum of 1% of the Net Asset Value to a maximum of 2% of the Net Asset Value of the relevant Fund on the relevant Dealing Day and remove the Management Company's ability to use a separate anti-dilution charge;

2. update the investment policy of Morgan Stanley Investment Funds Diversified Alpha Plus Fund to clarify the circumstances in which the Fund may invest in derivative instruments referencing one or more commodity indices qualifying as financial indices under UCITS Regulation;

3. amend the investment policies of Morgan Stanley Investment Funds Asian Equity Fund, Morgan Stanley Investment Funds Emerging Markets Equity Fund, Morgan Stanley Investment Funds Global Brands Fund, Morgan Stanley Investment Funds Global Opportunity Fund, Morgan Stanley Investment Funds US Advantage Fund and Morgan Stanley Investment Funds US Growth Fund so that each of these Fund may invest up to 10% of each such Fund's Net Asset Value in China A-Shares via Stock Connect;

4. clarify the investment policies of Morgan Stanley Investment Funds Asian Equity Fund, Morgan Stanley Investment Funds Asian Property Fund, Morgan Stanley Investment Funds European Property Fund, Morgan Stanley Investment Funds Global Infrastructure Fund, Morgan Stanley Investment Funds Global Property Fund and Morgan Stanley Investment Funds US Property Fund so as to make it clear that the REITS in which each such Fund may invest are closed-end REITS, in accordance with the UCITS Regulation; and

5. clarify the investment policies of Morgan Stanley Investment Funds Asian Equity Fund and Morgan Stanley Investment Funds Emerging Markets Equity Fund so as to make it clear that each such Fund may invest in participatory notes as part of their respective existing investment policies.

<u>1. Increase in the Swing Factor and Removal of Management Company's Discretion to use an Anti-Dilution Charge</u>

The Management Company believes that the most appropriate way to address potential dilution issues that arise on material subscriptions or redemptions is through swing pricing. Currently the prospectus dated February 2016 (the "**Prospectus**") provides that the Management Company may take one or both of the following steps:

(i) adjust the Net Asset Value of a Fund (“Swing Pricing”) to reflect the estimated dealing spreads, costs and charges to be incurred by the Fund in liquidating or purchasing investments (“Swing Factor”) to satisfy the net transactions received in respect of a particular Dealing Day. Under normal market circumstances, the Swing Factor shall not exceed 1% of the Net Asset Value of the relevant Fund on the relevant Dealing Day. When net subscriptions in a Fund exceed a certain threshold on a given Dealing Day, the Net Asset Value is adjusted upwards by the Swing Factor. Similarly, when net redemptions in a Fund exceed a certain threshold on a given Dealing Day, the Net Asset Value of the Fund is adjusted downwards by the Swing Factor; and

(ii) a fee as anti-dilution charge, of up to 2% of the amount of an individual subscription or redemption may be applied to reflect the estimated dealing spreads, costs and charges to be incurred by the Fund in liquidating or purchasing investments, which the Company in its discretion may apply where it does not consider it appropriate to adjust the Net Asset Value of a Fund through Swing Pricing or does not consider Swing Pricing alone to be an adequate solution, e.g. where a particular investor or group of investors has been the main cause of the dilution effect.

The ability to apply both measures at the same time has given rise to a number of queries from potential investors and caused confusion. The Management Company has applied a separate anti-dilution charge only rarely. Accordingly, the Board has resolved to remove the Management Company’s ability to use a separate anti-dilution charge. Further, the Board has resolved to increase the Swing Factor from a maximum of 1% of the Net Asset Value to a maximum of 2% of the Net Asset Value of the relevant Fund on the relevant Dealing Day.

As a consequence thereof, the sections 2.2 *Issue of Shares, Subscription and Payment Procedure* and 2.3 *Redemption of Shares*, sub-sections *Anti-Dilution Measures* of the Prospectus shall be read as follows:

"To the extent that the Management Company considers that it is in the best interests of Shareholders, taking into account factors including the prevailing market conditions, the level of subscriptions and redemptions in a particular Fund and the size of the Fund, the Management Company may adjust the Net Asset Value of a Fund (“Swing Pricing”) to reflect the estimated dealing spreads, costs and charges to be incurred by the Fund in liquidating or purchasing investments (“Swing Factor”) to satisfy the net transactions received in respect of a particular Dealing Day. Under normal market circumstances, the Swing Factor shall not exceed ***2****% of the Net Asset Value of the relevant Fund on the relevant Dealing Day. When net subscriptions in a Fund exceed a certain threshold on a given Dealing Day, the Net Asset Value is adjusted upwards by the Swing Factor. Similarly, when net redemptions in a Fund exceed a certain threshold on a given Dealing Day, the Net Asset Value of the Fund is adjusted downwards by the Swing Factor."*

This change will be effective as of 12 August 2016.

2. Change in Investment Policy of the Diversified Alpha Plus Fund

The Board has resolved to update the investment policy of the Diversified Alpha Plus Fund to clarify the circumstances in which the Fund may invest in derivative instruments referencing one or more commodity indices qualifying as financial indices under UCITS Regulations.

Under the UCITS diversification requirements, a financial index must be diversified - each component of a financial index may represent up to 20% of the index, except that in exceptional market conditions one single component may represent up to 35% of the index. The changes to the investment policy of the Fund is to reflect that relying on the “exceptional circumstances” justification, the Fund may invest in commodity indices that have single component over 20% (but below 35%).

As a consequence thereof, the third paragraph of the investment objective and policy of the Diversified Alpha Plus Fund shall be read as follows:

"*The Fund may take both long and short positions, either directly or (specifically in the case of short positions) through the use of derivatives as described below, in a diversified range of equity and equity related securities of any market capitalisation, Fixed Income Securities, currencies and* ***commodities. The Fund will only take indirect exposure to commodities, by investing into*** *eligible structured products such as commodity-linked notes the underlying of which are commodity indices and/or sub-indices* ***and/or derivative instruments referencing one or more commodity indices qualifying as financial indices under UCITS Regulations. When using such indices, the Fund must comply with the diversification limits set out in the UCITS Regulations: each component of a financial index may represent up to 20% of the index, except that in exceptional market circumstances one single component may represent up to 35% of the index***".

The overall risk profile of the Diversified Alpha Plus Fund will not change due to this proposed change in its investment policy.

This change was effective as of 21 June 2016.

3. Update in the Investment Policies of the Asian Equity Fund, Emerging Markets Equity Fund, Global Brands Fund, Global Opportunity Fund, US Advantage Fund and US Growth Fund

The Board has resolved to amend the investment policies of Asian Equity Fund, Emerging Markets Equity Fund, Global Brands Fund, Global Opportunity Fund, US Advantage Fund and US Growth Fund so that each of these Funds may invest up to 10% of each such Fund's Net Asset Value in China A-Shares via Stock Connect.

Stock Connect will be defined in the Prospectus as "the Shanghai-Hong Kong Stock Connect program which allows non-Chinese investors to purchase certain Shanghai Stock Exchange-listed equities via brokers in Hong Kong and/or any other similar stock connect program between another city of the People's Republic of China and Hong Kong when it becomes available to, and can be utilised by, the Company".

The purpose of this update in the investment policies is to allow the relevant Funds to take advantage of the greater flexibility offered by Stock Connect when considering investment in Chinese securities. Stock Connect provides administrative benefits, such as reduced application time and administrative costs. It provides access to over 500 eligible securities, which cover sectors such as consumer discretionary, industrials, materials and healthcare.

Investors should also note that risk factors associated with Stock Connect will be updated accordingly in the upcoming updated offering documents. The overall risk profile of the relevant Funds will not change due to this proposed change in the investment objective and policy of the relevant Funds.

This change will be effective as of 12 August 2016.

4. Clarification of the Investment Policies of the Asian Equity Fund, Asian Property Fund, European Property Fund, Global Infrastructure Fund, Global Property Fund and US Property Fund

The Board has resolved to clarify the investment policy of the Asian Equity Fund, Asian Property Fund, European Property Fund, Global Infrastructure Fund, Global Property Fund and US Property Fund so as to make clearer to investors that the REITS in which each such Fund may invest are closed-end, as required by applicable law in Luxembourg.

The overall risk profile of the relevant Funds will not change due to this clarification in its investment policy.

This change in the investment policy of the relevant Funds will be included in the Prospectus and is not intended to have any impact on the relevant Funds' current portfolios, which shall remain managed according to the same investment strategies and criteria than those used previously.

This change was effective as of 21 June 2016.

5. Clarification of the Investment Policies of the Asian Equity Fund and Emerging Markets Equity Fund

The Board has resolved to clarify the investment policy of the Asian Equity Fund and Emerging Markets Equity Fund so that each such Fund may invest in participatory notes as part of their respective existing investment policies.

The overall risk profile of the relevant Funds will not change due to this clarification in its investment policy.

This change in the investment policy of the relevant Funds will be included in the Prospectus and is not intended to have any impact on the relevant Funds' current portfolios, which shall remain managed according to the same investment strategies and criteria than those used previously.

This change was effective as of 21 June 2016.

GENERAL

In relation to the change described under sections 1 and 3 of this Notice, shareholders' right to redeem or convert their shares is not affected and shareholders may redeem or convert their shareholding without any redemption or conversion charges, with the exception of applicable Contingent Deferred Sales Charges, if they do not agree with the above-mentioned change as from receipt of this notice and up to 1 pm CET on 11 August 2016.

The changes described in this Notice will not give rise to additional costs and expenses implications (other than costs associated with update of the Prospectus, which will be borne by the Company).

Capitalised terms used in this Notice shall have the meaning as defined in the Prospectus of the Company, unless the context otherwise requires.

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

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.

Luxembourg, 12 July 2016

MORGAN STANLEY INVESTMENT MANAGEMENT (ACD) LIMITED

On behalf of the Company