

**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 “Global Series” and “Premier-Choice Series” plans. The “Global Series” includes Global InvestPlan and Global InvestPlus. The “Premier-Choice Series” includes Premier-Choice ULife InvestPlan, Premier-Choice Flexi, Premier-Choice Flexi Plus, Premier-Choice InvestPlan and Premier-Choice PLUS InvestPlan.

As advised by MSIM Fund Management (Ireland) Limited, there will be the following changes to the underlying funds.

**1. Amendment to the Investment Policy of the Underlying Fund of the Investment Choice**

- *Morgan Stanley Investment Funds Latin American Equity Fund "A" Shares (MSLAU)*

The board of directors of Morgan Stanley Investment Funds (the “Board”) has resolved to amend the investment policy of the underlying fund of the investment choice above so as to include as part of its primary investment universe equity related securities, i.e. preference shares, warrants and other equity linked instruments, including depositary receipts and convertible debt securities, of companies incorporated or exercising the predominant part of their economic activity in Latin American countries.

Additionally, the investment policy will be amended to specify investments will also be made primarily in companies which may not be incorporated in Latin American countries but exercise the predominant part of their economic activity there.

Further, the investment policy will be amended to remove the ability to reduce the underlying fund's Latin American equities to below 80% of the underlying fund's assets for temporary defensive purposes during periods in which the Morgan Stanley Investment Funds believes changes in economic, financial or political conditions make it advisable, but to instead clarify that the underlying fund may invest in the securities of companies organised and located in countries other than the Latin American countries where the value of the company's securities will reflect principally conditions in a Latin American country or where the principal securities trading market is in a Latin American country, or where 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in Latin American countries on an ancillary basis.

Finally, the investment policy will be amended to clarify that the underlying fund may make use of exchange traded and over-the-counter options, futures and other derivatives for efficient portfolio management (including hedging) purposes, and that the underlying fund does not invest extensively or primarily in financial derivatives instruments for investment purposes.

The amendments aim to better align the underlying fund's investment policy with the other funds of the Morgan Stanley Investment Funds, provide clarity and transparency on the types of securities that the underlying fund already invests in, and include them in the underlying fund's primary investment universe.

The change in investment policy will take effect on 30 August 2019.

**2. Amendment to the Investment Policy of the Underlying Fund of the Investment Choice**

- *Morgan Stanley Investment Funds Asian Property Fund "A" Shares (MSAPU)*

The underlying fund of the investment choice above will invest up to 20% of its net assets in China A-Shares via Stock Connect.

While the overall risk profile of the underlying fund will not change due to the change in the investment policy, investors should also note the risk factors associated with Stock Connect as detailed in the prospectus.

The above-mentioned change will be effective as of 30 August 2019.

**3. Clarification of Investment Policy of the Underlying Fund of the Investment Choice**

- *Morgan Stanley Investment Funds Global Bond Fund "A" Shares (MSGBU)*

The Board has decided to include mortgage-backed securities as part of fixed income securities to standardise the existing instruments. As a result, the following changes are to be made to the prospectus of the underlying fund of the investment choice above:

- The definition of “Fixed Income Securities” within the section “Definitions” has been updated to include such instrument.
- An additional risk factor regarding “Uniform Mortgage-Backed Securities” has been inserted under section 1.5 “Risk Factors”.

- The clarification has been made in the investment policy of the underlying fund of the investment choice above.

The Board has also resolved to clarify that the investment process of underlying fund of the investment choice above takes into account environmental, social and governance issues (so-called “ESG factors”) when making investment decisions.

The underlying fund was already managed in such a way that it takes into account ESG factors. There is no change to the way in which the underlying fund is managed or its risk profile. The investment policy of the underlying fund is clarified only to provide transparency for all investors in such underlying fund.

**4. Clarification of Investment Policy of the Underlying Funds of the Investment Choices**

- *Morgan Stanley Investment Funds Asian Property Fund "A" Shares (MSAPU)*
- *YF Life Morgan Stanley Investment Funds European Property Fund "A" Shares (MSEPU)*
- *Morgan Stanley Investment Funds US Property Fund "A" Shares (MSUPU)*

The Board has resolved to clarify the investment policies of each of the underlying funds of the investment choices above that their “primary” investment universe will represent at least 70% of their net assets.

Each underlying fund was already managed in such a way that it meets the above-mentioned restriction. There is no change to the way in which the underlying funds are managed or their risk profiles. The investment policies of the underlying funds are clarified only to provide transparency for all investors in such underlying 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), which are made available by YF Life Insurance International Ltd. upon request, or visit our website ([www.yflife.com](http://www.yflife.com)) to carefully read the details of the relevant documents in relation to the above change(s).**

**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. Currently, no switching charge and bid-offer spread apply to the investment choices. For details, please refer to Investment Choice Brochure or contact YF Life Insurance International Ltd. - Customer Service Hotline at (852) 2533 5555 (Hong Kong)/ (853) 2832 2622 (Macau).**

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**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 TO SHAREHOLDERS**

Luxembourg, 31 July 2019

Dear Shareholder,

We are writing to you as a holder of shares in Morgan Stanley Investment Funds Latin American Equity Fund (the "**Fund**").

The Board has resolved to amend the investment policy of the Fund so as to include as part of its primary investment universe equity related securities, i.e. preference shares, warrants and other equity linked instruments, including depositary receipts and convertible debt securities, of companies incorporated or exercising the predominant part of their economic activity in Latin American countries.

Additionally, the investment policy will be amended to specify investments will also be made primarily in companies which may not be incorporated in Latin American countries but exercise the predominant part of their economic activity there.

Further, the investment policy will be amended to remove the ability to reduce the Fund's Latin American equities to below 80% of the Fund's assets for temporary defensive purposes during periods in which the Company believes changes in economic, financial or political conditions make it advisable, but to instead clarify that the Fund may invest in the securities of companies organised and located in countries other than the Latin American countries where the value of the company's securities will reflect principally conditions in a Latin American country or where the principal securities trading market is in a Latin American country, or where 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in Latin American countries on an ancillary basis.

Finally, the investment policy will be amended to clarify that the Fund may make use of exchange traded and over-the-counter options, futures and other derivatives for efficient portfolio management (including hedging) purposes, and that the Fund does not invest extensively or primarily in financial derivatives instruments for investment purposes.

Please refer to the Appendix which shows how the investment policy of the Fund will be amended.

The amendments aim to better align the Fund's investment policy with the other funds of the Company, provide clarity and transparency on the types of securities that the Fund already invests in, and include them in the Fund's primary investment universe.

The change in investment policy will take effect on 30 August 2019 (the "**Effective Date**").

The prospectus of the Company (the "**Prospectus**") and Product Key Facts ("**KFS**") of the Fund will therefore reflect the above-mentioned change and will be posted on the Company's website ([www.morganstanleyinvestmentfunds.com](http://www.morganstanleyinvestmentfunds.com))<sup>1</sup> as soon as practicable.

The change in investment policy of the Fund will not materially affect or prejudice the rights or interests of existing investors of the Fund. There will be no material change to the overall risk profile of the Fund as a result of the change in investment policy. The Fund will be managed in accordance with the amended investment strategy from the Effective Date. There will be no change in the fee structure, the fee level or cost in managing the Fund. The cost of effecting the change in investment policy of the Fund will be borne by the current management company, MSIM Fund Management (Ireland) Limited.

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### Your options

1. If you do not object to the above change, you do not need to take any action. The change will automatically go into effect as of the Effective Date.

2. If you disagree with the change in investment policy of the Fund, you may either:

a) Convert your Shares into another Fund authorized by the SFC and distributed to Hong Kong investors. Any applications for conversion must be received prior to the Effective Date and be made in accordance with section 2.4 "Conversion of Shares" of the Prospectus. Please note that an earlier cut off time may be imposed by the intermediaries. Please ensure that you read the Prospectus and KFS for any fund that you are considering converting into and seek advice from your financial adviser if you are unsure about the action you should take.

Or,

b) Redeem your investment. Any applications for redemption must be received prior to the Effective Date.

Conversions or redemptions will be processed free of charge (with the exception of applicable Contingent Deferred Sales Charges) at the relevant net asset value per share on the Dealing Day on which the relevant shares are redeemed or converted, in accordance with the terms of the Prospectus.

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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 and the KFS, which will be borne by the current management company).

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 Hong Kong Prospectus and KFS will be available to investors, free of charge, at the Hong Kong Representative, Morgan Stanley Asia Limited's office (contacts are set out below).

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. 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.

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<sup>1</sup> Please note that this website has not been reviewed by the SFC.

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.

Luxembourg, 31 July 2019

Yours sincerely

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On behalf of the Company

**MSIM FUND MANAGEMENT (IRELAND) LIMITED**

## Appendix

### The amendment of the investment policy of the Fund

"The Latin American Equity Fund's investment objective is to seek to maximise total return, measured in US Dollars, through investment primarily in the ~~common shares~~equity and equity related securities of companies incorporated or exercising the predominant part of their economic activity in Latin American countries.

Such Latin American countries include Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela provided that the markets in 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 Latin American markets in which it invests. From time to time, the Fund's investments may be concentrated in a limited number of countries. 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.

TheAs part of its primary investment universe, the Fund may also invest in preference shares, warrants and other equity linked instruments, including depositary receipts (such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), and debt securities convertible into common shares of companies incorporated or exercising the predominant part of their economic activity in Latin American countries.

Financial derivative instruments may be used for efficient portfolio management (in accordance with the investment powers and restrictions set out in Appendix A), in order to gain exposure to certain markets at a lower cost or to reduce risk. The Fund does not invest extensively or primarily in financial derivatives instruments for investment purposes.

On an ancillary basis, the Fund may invest in the securities of companies organised and located in countries other than the Latin American countries where the value of the company's securities will reflect principally conditions in a Latin American country or where the principal securities trading market is in a Latin American country, or where 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in Latin American countries.~~The Fund may also invest in debt securities convertible into common shares, preference shares, warrants and other equity linked instruments. To the extent the Fund's assets are not invested in equity or equity linked instruments, the remainder of the assets may be invested in Fixed Income 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 holding in Latin American equities to below 80 % of the Fund's assets and invest in other equity and Fixed Income Securities.~~

The investment process takes into account information about environmental, social, and governance issues (also referred to as ESG) when making investment decisions. We focus on engaging company management around corporate governance practices as well as what we deem to be materially important environmental and/or social issues facing a company.

Profile of the typical investor

In light of the Latin American Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

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## **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 TO SHAREHOLDERS**

Luxembourg, 31 July 2019

Dear Shareholder,

We are writing to you as a holder of shares in one or more funds of the Company (each a "**Fund**" and collectively, the "**Funds**").

The board of directors of the Company (the "**Board**") has further decided to proceed with some amendments to the prospectus of the Company (the "**Prospectus**") as disclosed below.

#### **I. Amendments applicable to all Funds**

- **Change of domiciliary agent**

The Board has resolved to change the domiciliary agent of the Company by switching from Morgan Stanley Investment Management Limited, Luxembourg Branch to MSIM Fund Management (Ireland) Limited, Luxembourg Branch.

Please note that the contact details of the domiciliary agent have not changed.

Such change is motivated by the upcoming exit of the United Kingdom from the European Union.

The above-mentioned entity changes are not expected to impact the performance of the services or the fees payable thereunder, or on the management or composition of the underlying portfolio.

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The above-mentioned change will be effective as of 17 July 2019 and are included in the version of the Company's Prospectus dated July 2019.

#### **II. Amendments applicable to specific Funds**

- **Amendment to the investment policy regarding investment in China A-Shares via Stock Connect for Morgan Stanley Investment Funds Asian Property Fund (the "Asian Property Fund")**

The Asian Property Fund will invest up to 20% of its net assets in China A-Shares via Stock Connect.

While the overall risk profile of the relevant Funds will not change due to the change in the investment policy, investors should also note the risk factors associated with Stock Connect as detailed in the Prospectus.

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The above-mentioned change will be effective as of 30 August 2019 (the “**Effective Date**”) and are included in the version of the Company’s Prospectus dated July 2019.

### **Your options**

1. If you agree to the change, you do not need to take any action. The change will automatically go into effect for the above-mentioned Fund as of the Effective Date.

2. If you disagree with the amendment noted above, you may either:

a) Convert your Shares into another Fund authorized by the SFC and distributed to Hong Kong investors. Any applications for conversion must be received by 1 pm CET on 29 August 2019 and be made in accordance with section 2.4 “Conversion of Shares” of the Prospectus. Please note that an earlier cut off time may be imposed by the intermediaries. Please ensure that you read the Prospectus and Product Key Facts (“**KFS**”) for any Fund that you are considering converting into and seek advice from your financial adviser if you are unsure about the action you should take.

Or,

b) Redeem your investment. Any applications for redemption must be received by 1 pm CET on 29 August 2019.

Conversions or redemptions will be processed free of charge (with the exception of applicable Contingent Deferred Sales Charges) at the relevant net asset value per share on the Dealing Day on which the relevant shares are redeemed or converted, in accordance with the terms of the Prospectus.

### **III. Clarifications applicable to all Funds**

- **Clarification regarding mortgage backed securities**

The Board has decided to include mortgage backed securities as part of fixed income securities to standardise the existing instruments. As a result, the following changes are to be made to the Prospectus:

- The definition of “*Fixed Income Securities*” within the section “*Definitions*” has been updated to include such instrument.
- An additional risk factor regarding “Uniform Mortgage-Backed Securities” has been inserted under section 1.5 “*Risk Factors*”.
- The clarification has been made in the investment policy of Morgan Stanley Investment Funds Global Bond Fund (the “**Global Bond Fund**”).

The above-mentioned clarification is included in the version of the Company’s Prospectus dated July 2019 and also the KFS of the Global Bond Fund dated July 2019.

### **IV. Clarifications applicable to specific Funds**

- **Clarification of the investment process which takes into account environmental, social and governance issues (so-called “ESG factors”) for certain Funds**



The Board has resolved to clarify that the investment process of each of the following Funds takes into account ESG factors when making investment decisions:

- US Advantage Fund;
- US Growth Fund;
- Emerging Markets Debt Fund;
- Emerging Markets Domestic Debt Fund;
- Global Bond Fund; and
- Global Convertible Bond Fund.

Each Fund was already managed in such a way that it takes into account ESG factors. There is no change to the way in which the above-mentioned Funds are managed or their risk profiles. The investment policies of the above-mentioned Funds are clarified only to provide transparency for all investors in such Funds.

- **Clarification of the investment universe for certain Funds**

The Board has resolved to clarify the investment policies of each of the following Funds that their “primary” investment universe will represent at least 70% of their net assets:

- Asian Property Fund;
- European Property Fund; and
- US Property Fund.

Each Fund was already managed in such a way that it meets the above mentioned restriction. There is no change to the way in which the above-mentioned Funds are managed or their risk profiles. The investment policies of the above-mentioned Funds are clarified only to provide transparency for all investors in such Funds.

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The clarifications listed under section IV above are included in the version of the Company’s Prospectus dated July 2019.

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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 and the KFS, which will be borne by the current management company).

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 Hong Kong Prospectus and KFS will be available to investors, free of charge, at the Hong Kong Representative, Morgan Stanley Asia Limited’s office (contacts are set out below).

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. 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.

Luxembourg, 31 July 2019

Yours sincerely

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On behalf of the Company

**MSIM FUND MANAGEMENT (IRELAND) LIMITED**