

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.

Update on Global Equity Fund MS (MSEQ), Global Growth Fund MS (MSGR), Global Balance Fund MS (MSBA) and Global Steady Fund MS (MSST)

As previously noted, Morgan Stanley Investment Management entered into an agreement with Invesco, on October 19, 2009, to transfer certain of its portfolio management teams to Invesco, including the teams currently managing the underlying funds. In connection with the agreement, the Board has resolved to merge the underlying funds into respective Invesco funds, with effect from September 3, 2010.

Consequential to the above change, one of the underlying funds named “Morgan Stanley Investment Funds Global Value Equity Fund”, in which each of the investment choice invests, will be changed. As such, the investment objectives of the following investment choices will be changed.

- Global Equity Fund MS[#]
- Global Growth Fund MS^{*}
- Global Balance Fund MS^{*}
- Global Steady Fund MS^{*}

[#] This investment choice will only invest in a single SFC authorized fund.

^{*} These investment choices are internal funds managed by the company.

For details of the modification of the underlying fund, in which the above investment choices invest, please refer to the following update:

	With effect from September 3, 2010
Existing Underlying Fund Name	Morgan Stanley Investment Funds Global Value Equity Fund
New Underlying Fund Name	Invesco Global Value Equity Fund
New Underlying Fund Investment Objective	The underlying fund seeks an attractive long-term rate of return, measured in US Dollars, through investment principally in equity securities of companies listed on the world’s stock exchanges. Investments will be sought primarily in equity securities of companies domiciled in developed countries, but limited investment may be made in the securities of companies in developing countries as well. Investment in securities of companies in developing countries will not normally exceed 10% of the underlying fund’s net asset value. When considering potential investments, the underlying fund will seek (amongst other things) companies which offer what the investment adviser considers to be attractive current dividend yields, or the prospect of what the investment adviser considers to be attractive future dividend yields. The underlying fund may also invest in preference shares, debt securities convertible into common shares and other equity linked instruments.
Investment Manager of the Underlying Fund	Invesco Asset Management Limited

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 the Company 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 Principal Brochure.

**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 TO SHAREHOLDERS (the "Notice")

**Re: Morgan Stanley Investment Funds Global Small Cap Value Fund
Morgan Stanley Investment Funds Global Value Equity Fund
Morgan Stanley Investment Funds Japanese Equity Advantage Fund
Morgan Stanley Investment Funds Japanese Value Equity Fund
Morgan Stanley Investment Funds US Small Cap Growth Fund
Morgan Stanley Investment Funds US Value Equity Fund
(together the "Sub-Funds")**

Dear Shareholders,

We write to you as a shareholder in one or more of the above Sub-Funds of the Company (a "Shareholder") to inform you of the decision of the board of directors of the Company (the "Board") to merge the above Sub-Funds into sub-funds of a new umbrella fund with similar features.

1. Background

On 19 October 2009, Morgan Stanley Investment Management entered into an agreement with Invesco to transfer certain of its portfolio management teams to Invesco, including the teams currently managing the Sub-Funds.

In connection with this agreement, the Board has resolved to merge the Sub-Funds into sub-funds (the "Absorbing Funds") of Invesco Funds II (the "Absorbing Company") as described below (the "Merger").

2. General Information on the Absorbing Company

The Absorbing Company, Invesco Funds II, is a *société d'investissement à capital variable* ("SICAV") registered in the Grand Duchy of Luxembourg pursuant to Part I of the Law of 20th December 2002 on undertakings for collective investment, as amended. The Absorbing Company is an Undertaking for Collective Investment in Transferable Securities ("UCITS") for the purpose of the Council Directive 85/611/EEC, as amended. The Absorbing Company is a SICAV in accordance with Chapter 3 of the Law of 20th December 2002, which shall appoint Invesco Management S.A. as its management company.

Invesco Management S.A. is a *société anonyme* incorporated under Luxembourg law and approved as a management company regulated by Chapter 13 of the law of 20th December 2002.



3. Mergers of Sub-Funds and Share Classes

We hereby inform you that as of 3 September 2010 (the "**Effective Date**"), each Sub-Fund shall be merged with its corresponding sub-fund in the Absorbing Company, by contributing all net assets into the Absorbing Funds, as contemplated in the current Company's prospectus (the "**Prospectus**") and pursuant to Article 24 of the articles of incorporation of the Company.

Please see the table in the Appendix I hereto which sets out the changes in names between the Sub-Funds (and their share classes) as they currently are and the Sub-Funds (and their share classes) once they merge with the Absorbing Funds.

Upon the Effective Date, all remaining Shareholders will receive a number of shares of a similar class in the corresponding Absorbing Funds, calculated based on the net asset value per share of the Sub-Fund compared to the net asset value of the respective Absorbing Fund. Shares held in the Sub-Funds will then be redesignated as shares of the corresponding absorbing Funds, which will be issued without charge, without par value and in registered form (the "**New Shares**"). The total value of the New Shares will correspond to the total value of the shares held in the Sub-Funds.

4. General information concerning the mergers

For more information on the Absorbing Funds, please refer to the prospectus and simplified prospectus of the Absorbing Company, which are available to investors free of charge at its registered office, or on www.invesco.com. In particular, for information on the risk factors applicable to the Absorbing Funds, investors should refer to the "Risk Factors" section in the prospectus of the Absorbing Company. If you are in any doubt about the risk factors relevant to an investment, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Merger expenses will be borne by Morgan Stanley Investment Management Limited.

The establishment costs for all the Sub-Funds have been fully amortized.

5. Change in Investment Adviser

Although the portfolio management teams of the Sub-Funds shall remain largely the same after the Merger, the investment adviser and sub-adviser entities appointed in respect of each Sub-Fund will change with effect from the Effective Date. Details of the new sub-advisers are as follows:

- **Invesco Asset Management (Japan) Limited**, Shiroyama Trust Tower 25F, 3-1, Toranomom 4-chome, Minato-ku, Tokyo 105-6025, Japan
- **Invesco Asset Management Limited** of Finsbury Square, London EC2A 1AG, UK ; and
- **Invesco Advisers, Inc.** of 1555 Peachtree Street NE, Suite 1800, Atlanta, GA 30309, USA.

6. No Change in Service Providers

RBC Dexia Investor Services Bank S.A. (14 Porte de France, L – 4360 Esch-sur-Alzette) will continue to act as registrar and transfer agent (the "Registrar and Transfer Agent"), and J.P. Morgan Bank Luxembourg S.A. (6 Route de Trèves, Senningerberg, L – 2633Luxembourg) will continue to act as custodian (the "Custodian") and administrative agent (the "Administrative Agent") respectively. The fees payable to these service providers out of the assets of the Sub-Funds, as currently set out in the Prospectus, will remain substantially unchanged after the Mergers.



7. No Change in Investment Policy / Strategy or Fees of the Sub-Funds

Subject to the changes described in this Notice, the attention of the shareholders is drawn to the fact that the investment policy and strategy, the investment advisory fees and other material features applicable to each Sub-Fund (and their share classes) will remain unchanged after the Merger.

8. Taxation

The Merger will not subject the Sub-Funds or Absorbing Funds to taxation in Luxembourg. Under certain conditions, shareholders could be liable to Luxembourg income tax upon the merger of certain Sub-Funds. However, no Luxembourg income tax would be due on such gains if a double tax treaty is applicable between Luxembourg and the country of residence of the shareholders and provides otherwise. Investors may be subject to taxation in their tax domiciles or other jurisdictions where they pay taxes.

As tax laws differ widely from country to country, investors are urged to consult their tax advisers as to the tax implications of the merger in their individual cases.

9. Redemption / Conversion of Shares prior to Effective Date

Your right to redeem or convert your shares is not affected and you may redeem or convert your shareholding as normal on any Dealing Day during the period from 30 July to 31 August 2010 (inclusive) without any redemption or conversion charges if you do not agree to any of the above changes. Shareholders should note, however, that any contingent deferred sales charge due will still be applicable, please refer to the Prospectus for more detail in this regard.

The last day on which Shareholders may apply for redemption, conversion, subscription or transfer of shares in the Sub-Funds is 31 August 2010 (however, those Shareholders who transact through a platform provider should contact such provider as to when the latest date is for such applications). Accordingly, the next dealing day will be in respect of New Shares in the Absorbing Funds on 6 September 2010.

10. Shareholders in Taiwan

For the avoidance of doubt, shareholders in Taiwan should be aware that only the following sub-funds and share classes are registered for sale in Taiwan (the "Taiwan Registered Sub-Funds and Share Classes"):

Name of sub- fund	Share classes
Morgan Stanley Investment Funds Global Value Equity Fund	A, AH, AX, AHX, I, IH, IX, IHX
Morgan Stanley Investment Funds Japanese Value Equity Fund	A, AH, AX, AHX, I, IH, IX, IHX
Morgan Stanley Investment Funds US Value Equity Fund	A, AH, AX, AHX, I, IH, IX, IHX

Accordingly this Notice should be read by shareholders in Taiwan as only being applicable to Taiwan Registered Sub-Funds and Share Classes.



11. Shareholders in Chile

Shareholders in Chile should be aware that only the following share classes are registered for public offering in Chile (the “Chile Registered Share Classes”):

Name of Sub-Fund	Share classes
Morgan Stanley Investment Funds Global Small Cap Value Fund	A, B, I.
Morgan Stanley Investment Funds Japanese Value Equity Fund	A, B, I.
Morgan Stanley Investment Funds Japanese Equity Advantage Fund	A, AX, B, I, IX
Morgan Stanley Investment Funds Global Value Equity Fund	A, B, I
Morgan Stanley Investment Funds US Small Cap Growth Fund	A, B I.
Morgan Stanley Investment Funds US Value Equity Fund	A, B, I

Accordingly, this Notice should be read by shareholders in Chile as only being applicable to Chile Registered Share Classes.

Shareholders in Chile should be aware that the Absorbing Funds are not registered in the Foreign Securities Registry kept by the Chilean *Superintendencia de Valores y Seguros*. Therefore, after the Merger takes place the subscription, redemption and conversion procedures shall correspond to those procedures mentioned in the prospectus of the relevant Absorbing Funds and not through the current local redemption and transfer agents.

Shareholders are also invited to consult their financial and/or tax advisers about the possible consequences of the Merger.

12. Shareholders in Portugal

For the avoidance of doubt, Shareholders in Portugal should be aware that the Absorbing Funds may not be registered in Portugal by the Effective Date. Until the registration in Portugal becomes effective, Shareholders in Portugal will have no possibility to subscribe new shares in the Absorbing Company, nor convert their shares. Shareholders in Portugal will however still have the possibility to redeem their shares at any time.

Shareholders in Portugal are invited to consult their financial and/or tax advisers about the possible consequences of the Merger.

13. Shareholders in Italy

Shareholders in Italy are informed that saving plans “*Piani di Accumulo in Capitale*” (PAC) opened with respect to one or more of the Sub-Funds, will continue on the corresponding Absorbing Funds of Invesco Funds II.

However, Shareholders in Italy should also note that after the Merger (as set out in the Appendix I hereto) Classes B, BH Shares which are subject to a contingent deferred sales charge will no longer be available for further subscriptions in any of the Absorbing Funds, accordingly the PAC opened on these shares in any of the Sub-Funds will automatically be interrupted after the Merger.

In case of Shareholders who have opened PAC with respect to such share classes in any of the Sub-Funds, such Shareholders are invited to contact their Distributor and/or financial advisor in good time before the Merger in order to suspend the PAC, or alternatively such Shareholders can switch them for shares in any other sub-funds of the Company, before the Effective Date.

14. Personal Data

Shareholders are informed that their personal data will be processed by the Absorbing Company, its management company Invesco Management SA, the Registrar and Transfer Agent or the Custodian and their agents or delegates (as appropriate). Such data will be processed for the purposes of carrying out the services of management company, Registrar and Transfer Agent or Custodian as prescribed by law such as processing subscriptions and redemptions, maintaining registers of Shareholders and providing financial and other information to Shareholders, and/or for the purposes of maintaining global client records and providing centralized administrative and marketing services, or to comply with applicable legal obligations such as, but not limited to, anti-money laundering laws and regulations.

The Absorbing Company, its management company Invesco Management SA, the Registrar and Transfer Agent or the Custodian will take steps to ensure that all personal data in relation to Shareholders is recorded accurately and maintained in a secure and confidential format. Such data will be retained only as long as necessary or in accordance with applicable laws and will only be disclosed to such third parties (including agents or delegates of the aforementioned entities) as may be permitted under applicable laws or, where appropriate, with the consent of the Shareholder. Personal data may be transferred to and/or processed by entities within the Invesco Group (including their agents and delegates) including companies situated in countries outside of the European Union which may not have the same data protection laws as Luxembourg.

Data will only be used for the purpose for which it was collected, unless the consent of the Shareholder is obtained for its use for a different purpose. Shareholders may be entitled to request access to or the correction of any data supplied by them, in the manner and subject to the limitations prescribed in applicable legislation. Shareholders may also object, upon request and free of charge, to the processing of their data for marketing purposes. Such requests should be directed to the 'Data Protection Officer' at the address of the Transfer Agent.

15. Performance fees

For the avoidance of doubt, with respect to those Sub-Funds which have performance fees, the method of performance fee calculation and accrual will transfer to the corresponding Absorbing Fund unchanged by the Merger. Where applicable, references to first performance period are to the first performance period for the relevant Sub-Fund set out in the Prospectus, and references to high water mark are the high water mark for the relevant Sub-Fund at the effective date of the Merger.

16. General

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

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

The changes made pursuant to the Mergers will be reflected in the next update of the Prospectus, which, following receipt of the relevant regulatory approvals, will be available to investors, free of charge, at its registered office or at the offices of foreign representatives.

If 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. Shareholders should inform themselves of, and where appropriate



take advice on, the tax consequences of the foregoing in their country of citizenship, residence or domicile

Luxembourg, 30 July 2010

MORGAN STANLEY INVESTMENT FUNDS

By order of the Board



APPENDIX I

Morgan Stanley Investment Funds	Invesco Funds II	Invesco Funds II
Sub-Fund Name	Post-Merger Name	Investment Adviser
Morgan Stanley Investment Funds Global Small Cap Value Fund	Invesco Global Small Cap Value Fund	Invesco Asset Management Limited
Morgan Stanley Investment Funds Global Value Equity Fund	Invesco Global Value Equity Fund	Invesco Asset Management Limited
Morgan Stanley Investment Funds Japanese Equity Advantage Fund	Invesco Japanese Equity Advantage Fund	Invesco Asset Management (Japan) Limited
Morgan Stanley Investment Funds Japanese Value Equity Fund	Invesco Japanese Value Equity Fund	Invesco Asset Management (Japan) Limited
Morgan Stanley Investment Funds US Small Cap Growth Fund	Invesco US Small Cap Growth Fund #	Invesco Advisers, Inc.
Morgan Stanley Investment Funds US Value Equity Fund	Invesco US Value Equity Fund	Invesco Advisers, Inc.
Share Class Names (for each Sub-Fund)	Post-Merger Share Class Names	
Classes A, AH, AX, AHX	Classes A, AH, AX, AHX	
Classes B, BH (which are not subject to a contingent deferred sales charge ¹)	Classes R, RH (these Share Classes are not subject to a contingent deferred sales charge)	
Classes B, BH (which are subject to a contingent deferred sales charge ¹)	Holders of Classes B and BH Shares subject to a contingent deferred sales charge will retain such shares post-Merger, but these shares will no longer be available in any of the Absorbing Funds.	
Classes C, CH, CX and CHX	Classes A, AH, AX, AHX	
Classes I, IH, IX, IHX,	Classes HN, HNH, HNX, HNHX,	
Classes Z, ZH, ZX and ZHX	Classes V, VH, VX and VHX	

This Absorbing Fund is not authorised by the SFC and is not available for subscription by Hong Kong investors.

¹ Please refer to the Prospectus for more details regarding the contingent deferred sales charge.



APPENDIX II

INFORMATION FOR HONG KONG BASED SHAREHOLDERS

A. General

The Morgan Stanley Investment Funds US Small Cap Growth Fund is not authorised by the Securities and Futures Commission of Hong Kong ("SFC") and is not available for subscription by Hong Kong investors.

If 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 Morgan Stanley Asia Limited, of Floors 30-32, 35-42 & 45-47, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or on (852) 2848 6632.

The Absorbing Funds have been authorised by the SFC. The simplified prospectus of the Absorbing Company has not been authorised by the SFC.

B. Total Expense Ratio (TER) and Assets under Management (AUM)

Shareholders should note that as the Absorbing Funds have not yet commenced active trading there is no AUM or TER data available, the Absorbing Funds will not have any assets until the Merger has taken place.

For your information, set out below are the unaudited TER and AUM data for the SFC-authorised Sub-Funds for the period ending on 31 March 2010:

Sub-Fund	Share class	TER (basis points)	AUM (US\$)
Morgan Stanley Investment Funds Global Small Cap Value Fund	A	235	28,844,637
Morgan Stanley Investment Funds Global Small Cap Value Fund	AX	247	619,921
Morgan Stanley Investment Funds Global Small Cap Value Fund	B	332	7,241,625
Morgan Stanley Investment Funds Global Small Cap Value Fund	I	153	64,728,659
Morgan Stanley Investment Funds Global Small Cap Value Fund	Z	148	425,000
Morgan Stanley Investment Funds Global Value Equity Fund	A	183	103,577,803
Morgan Stanley Investment Funds Global Value Equity Fund	B	279	24,507,258
Morgan Stanley Investment Funds Global Value Equity Fund	I	104	225,006,162
Morgan Stanley Investment Funds Global Value Equity Fund	Z	139	959,975
Morgan Stanley Investment Funds Japanese Equity Advantage Fund	A	190	30,754,391
Morgan Stanley Investment Funds Japanese Equity Advantage Fund	B	290	6,738,515
Morgan Stanley Investment Funds Japanese Equity Advantage Fund	I	115	11,231,527
Morgan Stanley Investment Funds Japanese Equity Advantage Fund	Z	111	38,948,421
Morgan Stanley Investment Funds Japanese Value Equity Fund	A	167	603,776,731



Morgan Stanley Investment Funds Japanese Value Equity Fund	AX	204	1,315,223
Morgan Stanley Investment Funds Japanese Value Equity Fund	B	267	77,577,531
Morgan Stanley Investment Funds Japanese Value Equity Fund	C	270	767,303
Morgan Stanley Investment Funds Japanese Value Equity Fund	I	94	237,274,805
Morgan Stanley Investment Funds Japanese Value Equity Fund	IH	103	25,914,740
Morgan Stanley Investment Funds Japanese Value Equity Fund	Z	90	155,582,523
Morgan Stanley Investment Funds Japanese Value Equity Fund	ZH	123	33,292,937
Morgan Stanley Investment Funds US Value Equity Fund	A	180	76,870,244
Morgan Stanley Investment Funds US Value Equity Fund	AX	242	611,268
Morgan Stanley Investment Funds US Value Equity Fund	B	282	12,008,431
Morgan Stanley Investment Funds US Value Equity Fund	I	101	91,514,025
Morgan Stanley Investment Funds US Value Equity Fund	IX	104	10,367,418
Morgan Stanley Investment Funds US Value Equity Fund	Z	96	95,928,110

C. Investment Objectives of the Absorbing Funds

The following information is extracted from the prospectus of the Absorbing Company. For more information on the Absorbing Funds, please refer to the prospectus of the Absorbing Company, which is available to investors free of charge at its registered office, or on www.invesco.com.

Invesco Global Small Cap Value Fund

The Invesco Global Small Cap Value Fund's investment objective is to provide an attractive rate of return, measured in US Dollars, by investing in the common stocks of small to medium sized corporations that the Absorbing Company believes to be undervalued relative to the stock market in general at the time of purchase. Investments will be sought primarily in common shares of corporations domiciled in developed countries, but limited investment may be made in the securities of corporations in developing countries as well. Investment in securities of corporations in developing countries will not normally exceed 5% of the Absorbing Fund. Investments in the securities of small capitalisation corporations involve greater risk and the markets for such securities may be more volatile and less liquid. The Absorbing Fund intends to invest primarily in securities listed on stock exchanges; however, it may also invest in securities traded in over-the-counter markets. The Absorbing Fund may invest, on an ancillary basis, in debt securities convertible into common shares, preference shares and other equity linked instruments.

Invesco Global Value Equity Fund

The Invesco Global Value Equity Fund's investment objective is to seek an attractive long term rate of return, measured in US Dollars, through investment principally in equity securities of companies listed on the world's stock exchanges. Investments will be sought primarily in equity securities of companies domiciled in developed countries, but limited investment may be made in the securities of companies in developing countries as well. Investment in securities of companies in developing



countries will not normally exceed 10% of the Absorbing Fund's net asset value. When considering potential investments, the Absorbing Fund will seek (amongst other things) companies which offer what the Investment Adviser considers to be attractive current dividend yields, or the prospect of what the Investment Adviser considers to be attractive future dividend yields. The Absorbing Fund may also invest in preference shares, debt securities convertible into common shares and other equity linked instruments.

Invesco Japanese Equity Advantage Fund

The Invesco Japanese Equity Advantage Fund's investment objective is to seek long term capital appreciation, measured in Yen, through investment primarily in the equity securities of companies domiciled in or exercising the predominant part of their economic activity in Japan and which are listed on any exchanges or over the counter markets (subject to Appendix A to the prospectus of the Absorbing Company – Investment Powers and Restrictions). The Absorbing Fund will invest in companies who make advantageous use not only of their capital but also their intangible assets (for example, but not limited to, brand values, technical development or strong customer base). The Absorbing Fund may also invest, on an ancillary basis, in debt securities convertible into common shares and other equity linked instruments.

Invesco Japanese Value Equity Fund

The Invesco Japanese Value Equity Fund's investment objective is to seek long term capital appreciation, measured in Yen, through investment in the securities of companies listed on the exchanges and over-the-counter markets in Japan. The Absorbing Fund is primarily invested in the equity securities of Japanese companies, but may also invest in debt securities convertible into common shares and other equity linked instruments.

Invesco US Value Equity Fund

The Invesco US Value Equity Fund's investment objective is to provide reasonable long term capital growth, measured in US Dollars. Investments will be sought in equity securities that the Absorbing Company believes to be undervalued relative to the stock market in general at the time of purchase. The Absorbing Fund will invest primarily in the common or preferred stocks of companies which are located in the US. A company will be considered located in the US if (i) it is organised under the laws of the US and has its principal office in the US or (ii) it derives 50% or more of its revenues from businesses in the US. The Absorbing Fund may also invest, on an ancillary basis, in the equity securities of companies traded principally on US stock exchanges, convertible debt securities, US Government securities (securities issued or guaranteed as to principal and interest by the US government or its agencies and instrumentalities) and investment grade corporate debt securities. Furthermore, the Absorbing Fund may, in accordance with the investment restrictions provided for in Appendix A to the prospectus of the Absorbing Company, invest on an ancillary basis in money market instruments when, in the opinion of the Investment Adviser, the projected total return on such securities is equal to or greater than the expected total return on equity securities or when such holdings might be expected to reduce the volatility of the portfolio (for the purposes of this provision, the term "total return" means the difference between the cost of a security and the aggregate of its market value and income earned).



Invesco Funds II

Société d'Investissement à Capital Variable
Registered Office: 19, rue de Bitbourg,
L-1273 Luxembourg
R.C.S. Luxembourg B 152 408

July 2010

Dear Shareholder of Morgan Stanley Investment Funds,

In October 2009, Invesco announced that it had entered into an agreement to acquire Morgan Stanley's retail asset management business, which includes the transfer of certain of its portfolio management teams to Invesco.

Since then, we at Invesco have been very excited about this development as it is not only consistent with Invesco's strategic priorities, but foremost because this acquisition broadens and deepens our investment capabilities and strategies, **strengthening our ability to provide meaningful solutions to clients.**

In connection with the above mentioned agreement, **the board of Morgan Stanley Investment Funds has resolved to merge several of its Luxembourg-domiciled sub-funds into sub-funds of Invesco Funds II, a separate Luxembourg-domiciled umbrella fund specifically created for this purpose.** Please note the separately enclosed shareholder notification issued by Morgan Stanley Investment Funds for more detailed information.

Investment policies and strategies remain unchanged

As the portfolio management teams of the relevant Morgan Stanley Funds shall remain largely the same after the merger, none of the investment policies or strategies will change. We would like to specifically confirm this, since we understand that it will be naturally one of your key concerns.

As a future step, and in order to make the whole range of Invesco funds available to our clients via one convenient and efficient umbrella structure, it is Invesco's intention to ultimately combine the newly created "Invesco Funds II" SICAV with our existing Invesco Luxembourg-domiciled flagship "Invesco Funds" SICAV. A specific date has not been set for this activity but currently it is likely to be carried out in 2011, which we plan to undertake at such time taking into account necessary considerations and relevant business factors, and also subject to getting all necessary approvals.

We are looking forward to serving you as shareholders in Invesco Funds II once the transaction is completed.

Best regards,

A handwritten signature in black ink, appearing to read "Carsten Majer".

Carsten Majer
Director, Invesco Funds and Invesco Funds II



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Invesco Funds II

Société d'Investissement à Capital Variable

Registered Office: 19, rue de Bitbourg,

L-1273 Luxembourg

R.C.S. Luxembourg B 152 408

親愛的摩根士丹利投資基金股東：

在 2009 年 10 月，景順公布一項收購摩根士丹利零售資產管理業務的協議，包括轉移其部分投資組合管理團隊至景順。

自此，景順非常期待有關收購合併的進展，因是項收購不但符合景順的重點策略，最重要的是有助擴闊並加強我們的投資實力和策略，使我們精益求精，為客戶提供更卓越的投資方案。

有關上述協議方面，摩根士丹利投資基金董事會決定把其於盧森堡註冊的數項子基金，合併至景順基金 II 旗下的子基金內。景順基金 II 是一項特別為今次收購而設的獨立盧森堡註冊傘子基金，詳情請參閱隨函另附的股東通知書(由摩根士丹利投資基金發出)。

投資政策及策略維持不變

鑑於在合併後，相關摩根士丹利基金的投資組合管理團隊大致維持不變，因此投資政策或策略並無任何變動。我們深明這必然是閣下最關注的事項，故特此來函確定。

日後，為了透過一個簡便高效的傘子架構，為客戶提供整個系列的景順基金，景順擬最終把新成立的「景順基金 II」可變資本投資公司(SICAV)與現有於盧森堡註冊的旗艦產品「景順基金」可變資本投資公司(SICAV)二合為一。上述基金合併的日期尚未確實，但預計將於 2011 年進行，唯須獲取所有必須的審批，並要考慮有關的商業因素及其他因素。

我們期待有關交易完成後，致力為所有景順基金II的股東提供服務。

此致

Carsten Majer
景順基金及景順基金 II 董事

2010 年 7 月





Invesco Funds II

Société d'Investissement à Capital Variable
Registered Office: 19, rue de Bitbourg,
L-1273 Luxembourg
R.C.S. Luxembourg B 152 408

July 2010

Dear Shareholder of Morgan Stanley Investment Funds,

We would like to inform you of the new contact and bank details to be used once the merger has been completed. You can place deals or make enquiries to RBC Dexia Investor Services Bank S.A. regarding your holdings by facsimile or in writing to the following:

Address: RBC Dexia Investor Services Bank S.A., 14, Rue Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg

Telephone: 00352 2605 9944 (enquiry only)

Fax: 00352 2460 2898 (dealing and enquiry)

Email: RDIS_CSInvesco@rbcdexia.com (enquiry only)

Deals can also continue to be placed via electronic means such as SWIFT if such instructions are in place but are not accepted via e-mail. Please note that, in accordance with the terms of the Invesco Funds II prospectus, deals received after 13:00 CET on any Dealing Day (as defined in the Invesco Funds II prospectus) will be processed on the following Dealing Day.

For all deals placed in Hong Kong:

Invesco Asset Management Asia Limited (the Hong Kong Sub-Distributor)
32/F, Three Pacific Place, 1 Queen's Road East
Hong Kong
Telephone: +852 3191 8282
Fax: +852 3128 6512

For all deals placed in Taiwan:

Invesco Taiwan Limited (the Taiwan Master Agent)
10F, No. 122 Tun Hua North Road
Taipei, Taiwan
Telephone: +886 0800 045 066
Fax: +886 2 2545 1155

Please note that, deals received after 17:00 Hong Kong/Taiwan time on any Dealing Day (as defined in Appendix B of the Invesco Funds II prospectus) will be processed on the following Dealing Day.

You can also make enquiries (deals will not be accepted) to your local Invesco Office using the following details:

For Investors based in Austria

Invesco Asset Management Österreich GmbH
Rotenturmstraße 16-18
1010 Wien
Telephone: +43 (0) 1 316 20 0
Fax: +43 (0) 1 316 20 20
E-mail: info@vie.invesco.com

For Investors based in Benelux & Nordics

Invesco Asset Management S.A.
Belgian Branch (France)
Avenue Louise 326 B31
1050 Brussels
Telephone: +32 2 641 01 73
Fax: +32 2 641 01 75
E-mail: info@bru.invesco.com

For Investors based in Germany

Invesco Asset Management Deutschland GmbH
Client Service
An der Welle 5
60322 Frankfurt am Main
Telephone: +49 (0) 69 29807 800
Fax: +49 (0) 69 29807 106
E-mail: info@fra.invesco.com

For Investors based in France

Invesco Asset Management S.A.
18, rue de Londres
75009 - Paris
Tel: +33 (0)1 56 62 43 77
Fax: +33 (0)1 56 62 43 83
E-mail: fundinformation@ceu.invesco.com

For Investors based in Italy & Greece

Invesco Asset Management SA, Succursale Italiana
Via Cordusio, 2
20123 Milano, Italia
Telephone: +39 02 88074 300
Fax: +39 02 88074 384
Free telephone from Italy: 800 244 4331
E-mail: IGT_ClientService@ita.invesco.com

For Investors based in Spain & Portugal

Invesco Asset Management, S.A.
Sucursal en España.
C/ Recoletos, 15 - 1º
28001 Madrid, España.
Telephone: +34 91 781 3020
Fax: +34 91 576 0520
E-mail: atencionalcliente@mad.invesco.com



**For Investors based in Switzerland**

Invesco Asset Management (Schweiz) AG
Genferstrasse 21, CH-8002 Zurich, Switzerland
Telephone: +41 44 287 9000
Fax: +41 44 287 9010
E-mail: info@zur.invesco.com

For Investors based in Hong Kong

Invesco Asset Management Asia Limited (the Hong Kong sub distributor)
32/F, Three Pacific Place,
1 Queen's Road East,
Hong Kong
Telephone : +852 3191 8282
Fax : +852 3128 6512

Invesco US for enquiries from professional clients only

Invesco
11 Greenway Plaza, Suite 2500
Houston, Texas 77046-1188
U.S. Financial Dealer Division Telephone: 800-998-4246
U.S. Independent Financial Advisor Division Telephone: 800-337-4246

Invesco UK for non-administration related enquiries from Offshore Life Companies

Invesco Asset Management Limited
Invesco Park
Henley-on-Thames
Oxfordshire RG9 1HH
Direct Line Telephone: +44 (0) 1491 417270

For Investors based in Taiwan

Invesco Taiwan Limited (the Taiwan Master Agent)
10F, No. 122 Tun Hua North Road,
Taipei,
Taiwan
Telephone: +886-0800-045-066
Fax: +886-2-2545 1155

Invesco Jersey for enquiries from professional clients only from Channel Islands of Jersey and Guernsey, Isle of Man, Malta and Cyprus

Invesco International Limited
P.O. Box 1588
Orviss House,
17A Queen Street,
St. Helier, Jersey JE4 2PH
Channel Islands
Telephone: +44 (0) 1534 607 600
Fax: +44 (0) 1534 510 510

Invesco Dubai for enquiries from professional clients in Middle East, Africa and Central Asia

Invesco Asset Management Limited
PO Box 506599
The DIFC
The Gate Precinct
Building 5, Level 6
Dubai
United Arab Emirates
Telephone: +971 (0) 4 4250950
Fax: +971 (0) 44250959

Payments should be made quoting the client account number and contract reference to:

USD

Correspondent Bank SWIFT & Name: CHASUS33, JP Morgan NY
Beneficiary Bank SWIFT & Name: CHASGB2L, JP Morgan London
Beneficiary Account name: Invesco Funds II Collection Acc USD
Beneficiary Account number: 31068224
IBAN: GB57CHAS60924231068224

EUR

Correspondent Bank SWIFT & Name: CHASDEFX, JP Morgan Frankfurt
Beneficiary Bank SWIFT & Name: CHASGB2L, JP Morgan London
Beneficiary Account name: Invesco Funds II Collection Acc EUR
Beneficiary Account number: 31068208
IBAN: GB04CHAS60924231068208

GBP

Beneficiary Bank SWIFT: CHASGB2L
Beneficiary Bank Sort Code: 60-92-42
Beneficiary Bank Name: JP Morgan London
Beneficiary Account name: Invesco Funds II Collection Acc GBP
Beneficiary Account number: 31068182
IBAN: GB27CHAS60924231068182

JPY

Correspondent Bank SWIFT & Name: CHASJPJT, JP Morgan Tokyo
Beneficiary Bank SWIFT & Name: CHASGB2L, JP Morgan London
Beneficiary Account name: Invesco Funds II Collection Acc JPY
Beneficiary Account number: 31068240
IBAN: GB13CHAS60924231068240

HKD

Correspondent Bank SWIFT & Name: CHASHKHH, JP Morgan Hong Kong
Beneficiary Bank SWIFT & Name: CHASGB2L, JP Morgan London
Beneficiary Account name: Invesco Funds II Collection Acc HKD
Beneficiary Account number: 31068265
IBAN: GB17CHAS60924231068265





We look forward to working with you in the future, should you have any questions or concerns please use the details provided above quoting your Invesco Client Account Number.

Please find below a comparison between the current Morgan Stanley Investment Funds and proposed Invesco Funds II structure.

Fund	Base Hedging	Share Class Currency	Morgan Stanley		Invesco			
			Share Class	ISIN	Share Class	ISIN	Valoren	WKN
Invesco Global Small Cap Value Fund	N	USD	A	LU0073235227	A	LU0511731985	11380524	A1CZYE
	N	USD	AX	LU0239682585	AX	LU0511393133	11380526	A1CZYF
	N	USD	B	LU0073235573	B*	LU0511393489	11380527	A1CZYG
	N	USD	I	LU0054796148	HN	LU0511393646	11380551	A1CZYH
	N	USD	-	-	R	LU0511732363	11380553	A1CZYJ
	N	USD	Z	LU0360478449	V	LU0511394024	11380556	A1CZYK
Invesco Global Value Equity Fund	N	USD	A	LU0073230772	A	LU0511732876	11380559	A1CZYL
	N	USD	B	LU0073230855	B*	LU0511394453	11380561	A1CZYM
	N	USD	I	LU0011983359	HN	LU0511394610	11380562	A1CZYN
	N	USD	-	-	R	LU0511733254	11380563	A1CZYP
	N	USD	Z	LU0360479843	V	LU0511394883	11380564	A1CZYQ
Invesco Japanese Equity Advantage Fund	N	JPY	A	LU0248597030	A	LU0511733684	11380611	A1CZYR
	N	JPY	B	LU0248607953	B*	LU0511395187	11380632	A1CZYS
	N	JPY	I	LU0248599168	HN	LU0511395427	11380637	A1CZYT
	N	JPY	-	-	R	LU0511734492	11380638	A1CZYU
	N	JPY	Z	LU0360484843	V	LU0511395856	11380640	A1CZVY
	Y	EUR	ZH	LU0360485063	VH	LU0511395930	11380644	A1CZY W
Invesco Japanese Value Equity Fund	N	JPY	A	LU0073251851	A	LU0511735200	11380651	A1CZYX
	N	JPY	AX	LU0218444890	AX	LU0511396151	11380652	A1CZYY
	Y	EUR	AH	LU0498757979	AH	LU0511735036	11380654	A1CZYZ
	N	JPY	B	LU0073253980	B*	LU0511396581	11380656	A1CZY0
	N	JPY	C**	LU0176166410	A	LU0511735200	11380651	A1CZYX
	N	JPY	I	LU0034265487	HN	LU0511396821	11380661	A1CZY1
	Y	EUR	IH	LU0348447128	HNH	LU0511397043	11380662	A1CZY2
	N	JPY	-	-	R	LU0511736190	11380664	A1CZY3
	N	JPY	Z	LU0360478282	V	LU0511397472	11380665	A1CZY4
	Y	EUR	ZH	LU0360478365	VH	LU0511397555	11380668	A1CZY5
Invesco US Small Cap Growth Fund	N	USD	A	LU0073229501	A	LU0511736869	11380670	A1CZY6
	N	USD	B	LU0073229683	B*	LU0511397803	11380671	A1CZY7
	N	USD	I	LU0011983607	HN	LU0511398017	11380672	A1CZY8
	N	USD	-	-	R	LU0511737321	11380673	A1CZY9
Invesco US Value Equity Fund	N	USD	A	LU0073233446	A	LU0511737834	11380756	A1CZZA
	N	USD	AX	LU0218436441	AX	LU0511398108	11380759	A1CZZB
	N	USD	B	LU0073233529	B*	LU0511398447	11380761	A1CZZC
	N	USD	I	LU0054797203	HN	LU0511398793	11380762	A1CZZD
	N	USD	IX	LU0218436524	HNX	LU0511398876	11380763	A1CZZE
	N	USD	-	-	R	LU0511738212	11380764	A1CZZF
	N	USD	Z	LU0360479256	V	LU0511399171	11380766	A1CZZG

* MSIM B: Italian shareholders without CDSC are moving to the Invesco R share class

** MSIM C: Investors in the C shares at the time of transfer will be placed in the A share

