

## Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

## Sustainable Fixed Income Opportunities Fund - I Accumulation

ISIN: GB00BNKVP424, Base Currency: GBP

**A fund of Morgan Stanley Funds (UK)**

The fund is managed by Morgan Stanley Investment Management (ACD) Limited, part of the Morgan Stanley group.

### OBJECTIVES AND INVESTMENT POLICY

#### Objective

- The Fund aims to provide income and capital growth over a 5 year period.

#### Main Investments

- At least 80% of the Fund's investments will be in global fixed income securities. After hedging a maximum of 20% of the Fund will be exposed to non-GBP currencies.

#### Investment Policy

- To invest in fixed income securities issued by corporates and governments across a range of fixed income asset classes (e.g. investment grade bonds, high yield bonds, covered bonds, asset-backed securities, convertible bonds and currencies) integrating ESG considerations into the investment decision-making.
- Investments will be subject to an ESG Exclusion Policy that combines sector-based and norms-based exclusions. The Investment Advisor shall not knowingly invest in any securities of issuers which generate revenue from controversial weapons and civilian firearms, or in securities of issuers that generate 10% or more of their revenue from tobacco, gambling, and fossil fuels. The exception to the above is that the Fund may invest in labelled Sustainable Bonds that are issued to raise capital specifically for environmental projects.
- The Fund will reference the Bloomberg Global Aggregate Index (the "Index") for the purpose of restricting the universe of investible fixed income securities to corporations within the top 80% of ESG scoring corporates in each sub-sector of the Index. The Index has been chosen because it is

representative of fixed income securities in which the Fund is likely to invest.

- The Fund will only invest in the top 80% of ESG scoring sovereigns evaluated, unless the Investment Adviser perceives that a sovereign in the bottom 20% is demonstrating positive sustainability momentum, and/or issues a Sustainable Bond. The ESG scores are developed by the Investment Adviser based on a proprietary model, using third party ESG data as a base.

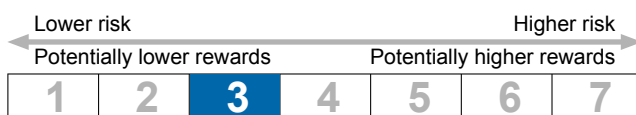
#### Other Information

- The Fund may invest more than 35% in fixed income securities issued by a single state, local authority, or public international body.
- With a view to enhancing returns and/or as part of the investment strategy, the Fund may make use of derivatives for efficient portfolio management (including hedging) purposes.
- The Fund's performance is not measured against a benchmark. However, investors can compare the Fund's performance against other funds in the Investment Association (IA) Sterling Strategic Bond Funds sector.
- Income will be included in the value of your shares.
- For the proportion of the Fund invested in bonds issued by corporates for which carbon emissions data are available, the Fund will maintain a lower carbon footprint than the corporate bond component of the Bloomberg Barclays Global Aggregate Index.

#### Buying and selling shares

- Investors may buy or sell shares on any London working day, or any other day if decided by the Authorised Corporate Director.

### RISK AND REWARD PROFILE



The risk and reward category shown is based on historic data.

- Historic figures are only a guide and may not be a reliable indicator of what may happen in the future.
- As such this category may change in the future.
- The higher the category, the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk free investment.
- The fund is in this category because it invests in fixed interest securities. and the fund's simulated and/or realised return has experienced medium rises and falls historically.
- The fund may be impacted by movements in the exchange rates between the fund's currency and the currencies of the fund's investments.

This rating does not take into account other risk factors which should be considered before investing, these include:

- The value of bonds are likely to decrease if interest rates rise and vice versa.
- The value of financial derivative instruments can be complex and volatile, and may result in losses in excess of the amount invested by the Sub-Fund.
- Issuers may not be able to repay their debts, if this happens the value of your investment will decrease. This risk is higher where the fund invests in a bond with a lower credit rating.
- The fund relies on other parties to fulfill certain services, investments or transactions. If these parties become insolvent, it may expose the fund to financial loss.
- Sustainability factors can pose risks to investments, for example: impact asset values and increased operational costs.
- There may be an insufficient number of buyers or sellers which may affect the fund's ability to buy or sell securities.
- Investment in China A-Shares via Shanghai-Hong Kong Stock Connect program may also entail additional risks, such as risks linked to the ownership of shares.
- There are increased risks of investing in emerging markets as political, legal and operational systems may be less developed than in developed markets.

## CHARGES

The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest

<b>Entry charge</b>	0.00%
<b>Exit charge</b>	0.00%

This is the maximum that might be taken out of your money before it is invested / before the proceeds of your investment are paid out.

Charges taken from the fund over a year

<b>Ongoing charges</b>	0.60%
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Charges taken from the fund under certain specific conditions

<b>Performance fee</b>	Not applicable
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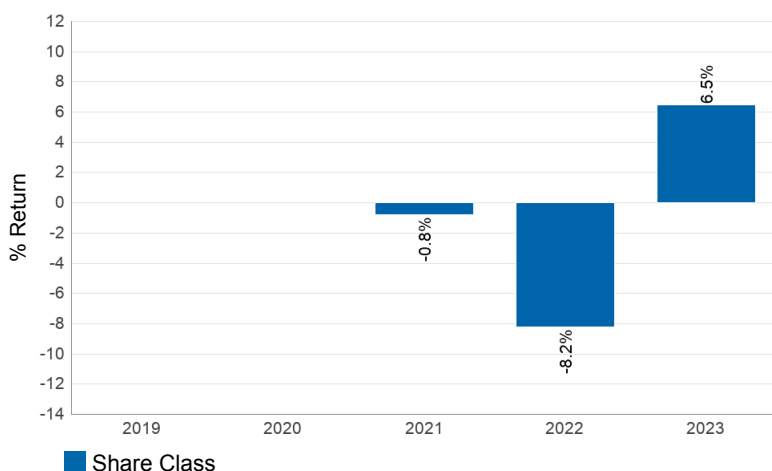
The entry and exit charges shown are maximum figures. In some cases you might pay less, you can find this out from your financial adviser.

The ongoing charges figure is based on expenses for the year ending 31st December, 2023. This figure may vary from year to year. It excludes almost all costs of dealing in the fund's underlying investments.

The fund may charge a fee on purchases, sales or switches if it feels other shareholders will suffer as a result of the cost of the transaction. This fee will be retained by the fund for the benefit of all shareholders.

For more information about charges, please see the Charges and Expenses section of the prospectus.

## PAST PERFORMANCE



- Past performance is only a guide and does not guarantee future performance.
- Past performance has been calculated after the deduction of ongoing charges, as described above, but not the deduction of entry or exit charges.
- The fund was launched in 2020
- Past performance has been calculated in GBP
- The Fund's performance is not compared against a benchmark. However, investors can compare the Fund's performance against other funds in the Investment Association (IA) Sterling Strategic Bond Funds sector. This IA sector has been chosen for performance comparison purposes because the composition of the funds in the sector is similar to that of the Fund. The fund is actively managed and does not base its investment process upon, and is not otherwise constrained by the IA Sector or any benchmark.

## PRACTICAL INFORMATION

- The depositary is State Street Trustees Limited.
- Prices of shares and other information can be obtained at [www.morganstanleyfunds.co.uk](http://www.morganstanleyfunds.co.uk).
- Further information can be obtained by contacting your financial adviser. Copies of the prospectus, latest annual report and semi annual report, in English, can be obtained free of charge from Morgan Stanley Investment Management (ACD) Limited, 25 Cabot Square, London, E14 4QA. This key investor information document describes a compartment of a UCITS. The prospectus and periodic reports are prepared for the entire UCITS, Morgan Stanley Funds (UK). The assets and liabilities of each compartment are segregated by law so an investor has no claims over the assets of a compartment in which they do not own shares.
- The tax legislation of the United Kingdom may have an impact on the personal tax position of the investor.
- Morgan Stanley Investment Management (ACD) Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the UCITS.
- Investors may switch between compartments of the Morgan Stanley Funds (UK). Please see the prospectus or contact your financial adviser for details.
- Details of the up-to-date remuneration policy including a description of how remuneration and benefits are calculated; and the identities of the persons responsible for awarding the remuneration and benefits are available on the fund's website [www.morganstanleyfunds.co.uk](http://www.morganstanleyfunds.co.uk). Paper copies of the information provided on this website are available free of charge from Morgan Stanley Investment Management (ACD) Limited.

This fund is authorised in the United Kingdom and regulated by the FCA.  
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This key investor information is accurate as at 19/02/2024.