

Mitteilung an alle Anteilseigner der MORGAN STANLEY Fonds

Anbei finden Sie die Information der Fondsgesellschaft MORGAN STANLEY, folgende Fonds sind betroffen:

LU0225737302 - Morgan Stanley Amer Fran USD A Cap
LU0073230426 - Morgan Stanley Global Bond Fd A Cap
LU0073233958 - Morgan Stanley US Property Fd A Cap
LU0078114898 - Morgan Stanl Eurp Property EUR B
LU0078113650 - Morgan Stanley Euro Property A Cap
LU0073232471 - Morgan Stanley US Eq Grwth Fd A Cap
LU0078112413 - Morgan Stanley Asian Prop Fd A Cap

Details können Sie der beigefügten Anlage entnehmen. Falls Ihre Kunden diesen Änderungen nicht zustimmen und die Möglichkeit besteht, die Anteile ohne Gebühren seitens der Fondsgesellschaft zurückzugeben, können Sie den Verkauf der Anteile direkt in MoventumOffice erfassen.

Bitte nehmen Sie zur Kenntnis, dass für die Abwicklung dieser Aufträge die im Preis- und Leistungsverzeichnis von Moventum ausgewiesenen Gebühren und die auf MoventumOffice angegebenen Annahmeschlusszeiten gelten.

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 »)

BANQUE DE LUXEMBOURG SA
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LUXEMBOURG

11 JAN. 2010

NOTICE TO SHAREHOLDERS

Dear Shareholders,

We hereby give you notice that the Board of Directors of the Company (the "**Board**") has resolved to make the following material amendments to the prospectus of the Company as follows:

1 Changes to Investment Objectives

1.1 Morgan Stanley Investment Funds Diversified Alpha Plus VaR 400 (Euro) Fund (the "**Fund**")

With effect from 8 February 2010, the Fund will change its name to the Morgan Stanley Investment Funds Diversified Alpha Plus Fund and its investment objective will be amended to read as follows:

"The Diversified Alpha Plus Fund's investment objective is to generate a risk managed return in excess of a composite benchmark comprising: (i) 60% of global equities represented by the MSCI All Country World Index, (ii) 30% of European Fixed Income Securities, represented by the Barclays Capital Euro Aggregate Bond, (iii) 5% of commodities represented by the S&P GSCI™ Light Energy Index, and (iv) 5% cash represented by the Euro OverNight Index Average (EONIA) (the "Composite Benchmark"), net of fees.

In accordance with the requirements of the Luxembourg regulator, the ex-ante Value at Risk (VaR) of the Fund will be limited to 200% of the ex-ante VaR of the Composite Benchmark, as measured by the Investment Adviser's proprietary risk management system. VaR is used to estimate the maximum value of a portfolio that can be lost over any one month period given a probability level of 99% (although this monitoring does not, under any circumstances, guarantee a minimum performance).

The Fund will seek to achieve its investment objective as follows:

- i. by taking 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 and currencies and eligible structured products such as commodity-linked notes the underlying of which are commodity indices and/or sub-indices, the value of which is linked to the value or movement of the returns of a commodity or basket of commodities or commodity derivatives contract, subject to the provisions of Directive EC 2007/16; or
- ii. using one or more derivatives to gain exposure to the S&P GSCI™ Light Energy Index, including swaps, forwards, options, and other contingent liability investments whether executed on a recognised exchange or market or traded over-the-counter ("OTC").

The Investment Adviser will use a top-down investment approach that focuses on asset class, sector, region and country selection, as opposed to stock-by-stock selection, and will make such allocation decisions without regard to any particular limit as to geographical location, sector, credit rating, maturity, currency denomination or market capitalisation. Such allocation decisions will be the result of directional views taken by the Investment Adviser taking into account results of its fundamental market research and recommendations generated by its quantitative models.

The Fund's investment strategy will be implemented by using derivatives (in accordance with the investment powers and restrictions set out in Appendix A of the Prospectus) such as exchange traded and over-the-counter options, futures, swaps and other derivatives for investment or efficient portfolio management (including hedging) purposes. In addition, the Fund may use exchange-traded funds ("ETFs") to gain exposure to various asset classes. The ETFs will either qualify as transferable securities under Article 41(1)(a) or else their underlyings will comply with Article 41(1)(e) of the Law of 20th December 2002 (as amended), as set out in paragraphs 2.1(a) and 2.1(f) of Appendix A of the Prospectus respectively. The Fund may also invest, to a limited extent, in ETFs under Article 41(2)(a) as set out in paragraph 2.2 of Appendix A of the Prospectus.

The Fund may also make the following investments or use the following financial instruments:

- i. currency spot transactions, currency forward transactions, non-deliverable currency forward transactions and money market funds, the assets of which may be managed by the Investment Adviser or any of its related, associated or affiliated companies; and/or
- ii. deposits, fixed or floating rate instruments (including but not limited to commercial paper), floating rate notes, certificates of deposit, debentures, asset backed securities and government or corporate bonds, cash and cash equivalents and/or
- iii. up to 10% of the Sub-Fund may be invested in accordance with paragraph 2.2. of Appendix A of the Prospectus. In particular, investment may be made in a regulated undertaking for collective investment having exposure to commodities indices.

Investors should refer to "Risk Factors" section of the Prospectus for special risk considerations applicable to currency markets, emerging markets, commodities and derivatives.

Profile of typical investor

In light of the Diversified Alpha Plus Fund's investment objective it may be appropriate for investors who:

- Seek a return over the medium term.
- Seek a balanced investment that focuses on those asset classes the Investment Adviser finds tactically most attractive.
- Seek an investment that includes the use of both long and synthetically short investment strategies.
- Accept the risks associated with this type of investment, as set out in "Risk Factors" section of the Prospectus."

1.2 Morgan Stanley Investment Funds Asian Property Fund (the "Fund")

With effect from the January 2010 Prospectus, the Fund's investment objective will be clarified to read as set out below. **This will not affect the way in which the Fund is managed.**

"The Asian Property Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, through investment in the equity securities of companies in the real estate industry located throughout Asia and Oceania. Companies in the real estate industry may include companies principally engaged in the development and/or ownership of income-producing property and collective investment vehicles with exposure to property such as publicly quoted property unit trusts, Real Estate Investment Trusts and undertakings for collective investment.

By investing in collective investment vehicles indirectly through the Fund, the investor will bear not only his proportionate share of the management fee of the Fund, but also indirectly, the management expenses of the underlying collective investment vehicles. The Fund may also invest, on an ancillary basis, in preference shares, debt securities convertible into common shares and other equity linked instruments.

Investors should refer to “Risk Factors” section of the Prospectus for special risk considerations applicable to investing in companies principally engaged in the real estate industry.”

1.3 Morgan Stanley Investment Funds European Property Fund (the “Fund”)

With effect from the January 2010 Prospectus, the Fund's investment objective will be clarified to read as set out below. **This will not affect the way in which the Fund is managed.**

“The European Property Fund's investment objective is to seek long term capital appreciation, measured in Euro, through investment in the equity securities of companies in the European real estate industry. Companies in the real estate industry may include property development companies, companies principally engaged in the development and/or ownership of income-producing property and collective investment vehicles with exposure to property such as publicly quoted property unit trusts, Real Estate Investment Trusts and undertakings for collective investment. By investing in collective investment vehicles indirectly through the Fund, the investor will bear not only his proportionate share of the management fee of the Fund, but also indirectly, the management expenses of the underlying collective investment vehicles. The Fund may also invest, on an ancillary basis, in preference shares, debt securities convertible into common shares and other equity linked instruments.

Investors should refer to “Risk Factors” section of the Prospectus for special risk considerations applicable to investing in companies principally engaged in the real estate industry.”

1.4 Morgan Stanley Investment Funds Global Property Fund (the “Fund”)

With effect from the January 2010 Prospectus, the Fund's investment objective will be clarified to read as set out below. **This will not affect the way in which the Fund is managed.**

“The Global Property Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, primarily through investment in the equity securities of companies in the real estate industry located throughout the world.

Companies in the real estate industry may include companies principally engaged in the development and/or ownership of income-producing property and collective investment vehicles with exposure to property such as publicly quoted property unit trusts, Real Estate Investment Trusts and undertakings for collective investment. By investing in collective investment vehicles indirectly through the Fund, the investor will bear not only his proportionate share of the management fee of the Fund, but also indirectly, the management expenses of the underlying collective investment vehicles. The Fund may also invest on an ancillary basis in preference shares, debt securities convertible into common shares and other equity linked instruments.

Investors should refer to “Risk Factors” section of the Prospectus for special risk considerations applicable to investing in companies principally engaged in the real estate industry.”

1.5 Morgan Stanley Investment Funds US Property Fund (the “Fund”)

With effect from the January 2010 Prospectus, the Fund's investment objective will be clarified to read as set out below. **This will not affect the way in which the Fund is managed.**

“The US Property Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, by investing in equity securities of companies in the US real estate industry. The Fund intends to invest in the publicly traded securities of Real Estate Investment Trusts (REITS) and similar Real Estate Operating Companies (REOCS). REITS and REOCS are companies that acquire and/or develop real property for long term investment purposes. They invest the majority of their assets directly in real property and derive their income primarily from rents. By investing in REITS and REOCS through the Fund the investor will bear not only his proportionate share of the management fees of the Fund but also indirectly, the management expenses of the underlying REITS and REOCS. A REIT will not be subject to US income or capital gains tax at the REIT level on the income and gains distributed to shareholders if it complies with several requirements relating to its organisation, ownership, assets, income, and capital gains. However, a REOC is subject to US income and capital gains at the company level. Generally, the taxable income distributed by a regularly traded REIT or REOC to the Fund should be subject to a rate of US withholding tax of 30%. Generally, distributions by a REIT and a REOC of capital gains arising from the disposition of US real estate will be subject to withholding tax of 35% for which a refund may not be available. Distributions which are considered to be a return of capital are generally not subject to the 35% withholding tax. The Fund may also invest, on an ancillary basis, in preference shares, debt securities convertible into common shares and other equity-linked instruments.

Investors should refer to “Risk Factors” section of the Prospectus for special risk considerations applicable to investing in companies principally engaged in the real estate industry.”

1.6 Morgan Stanley Investment Funds Global Bond Fund (the “Fund”)

With effect from the January 2010 Prospectus, the last sentence of the third paragraph of the Fund's investment objective will be clarified as set out below. **This will not affect the way in which the Fund is managed.**

“In addition, the Fund may invest, up to 10% of its Net Asset Value in securities which at the time of purchase are rated either lower than “BBB-” by S&P or “Baa3” by either Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.”

2 Changes to the charges and expenses of the Morgan Stanley Investment Funds Diversified Alpha Plus VaR 400 (Euro) Fund (the “Fund”)

With effect from 8 February 2010, the investment advisory fee for Classes A, AH, AX, AHX, B, BH, BX and BHX of the Fund will be changed to 1.75% (instead of 1.60%) and the investment advisory fee for Classes C, CH, CX and CHX of the Fund will be changed to 2.45% (instead of 2.40%).

Further, as from such date, the Fund will not charge a performance fee.

3 Name Changes of certain Funds

With effect from the January 2010 Prospectus, the name changes set out below will take place. **This will not affect the way in which these Funds are managed.**

- Morgan Stanley Investment Funds American Franchise Fund will change its name to Morgan Stanley Investment Funds Advantage Fund; and
- Morgan Stanley Investment Funds US Equity Growth Fund will change its name to Morgan Stanley Investment Funds Growth Fund.

4 General modifications

4.1 Appointment of Invesco Management S.A. and its affiliates as Investment Sub-Advisers

On 19 October 2009, Morgan Stanley Investment Management announced an agreement with Invesco to transfer certain of its portfolio management teams (the "**Teams**") to Invesco – see the list in the annex to this letter. It is currently intended that these Teams will transfer to Invesco in the middle of this year.

These Teams manage certain of the Company's funds listed in the annex to this letter (the "**Funds**"). As part of the agreement, it is proposed that the Funds will also be transferred to Invesco by way of mergers into corresponding Invesco funds. Such mergers are still subject to Board and regulatory review and approval.

In the event the Teams are transferred to Invesco in advance of such mergers, the Company's investment adviser, Morgan Stanley Investment Management Inc, may, in the interim, appoint Invesco Management S.A or any of its affiliates to act as investment sub-advisers in respect of the Funds in accordance with the Prospectus.

Shareholders in the Funds will be notified in advance of any such mergers or the appointment of Invesco Management S.A. or any of its affiliates in accordance with the requirements of the Luxembourg and other relevant regulators.

4.2 Re-opening of US Property Fund

The US Property Fund is no longer closed to new subscriptions.

4.3 Global Brands Fund - Removal of 2% subscription fee on large subscriptions

The Board has resolved that the 2% fee on subscriptions and conversions of over US\$1 million into the Global Brands Fund will no longer apply.

4.4 Minimum Holding Amounts

With effect from the January 2010 Prospectus, if the net asset value of your holding falls below the Minimum Holding amounts shown in the Prospectus, because of redemptions, conversions or transfers, the Company may, upon providing you with one month's written notice, elect to either compulsorily redeem your holding or convert your holding into another share class.

In addition, with effect from the January 2010 Prospectus, the minimum initial subscription amount, minimum holding amount and minimum subsequent subscription amounts shown in the Prospectus shall be US Dollar amounts or their equivalent in Euro, Yen or Sterling.



4.5 Redemption requests resulting in very small shareholdings

From time to time the Company receives redemption requests which leave the redeeming investor with a very small shareholding. It appears that in these cases the investor had intended to redeem their entire shareholding but had not checked their holding of Shares prior to submitting their redemption request. These very small shareholdings are an administrative and cost burden to the Company. As a result the Board has resolved, with effect from the January 2010 Prospectus, that where: (i) an investor submits a redemption request for part of a holding of Shares with a value of less than \$2,500 or its equivalent; or (ii) if the redemption would leave them with less than the minimum holding amount or less than US\$100 or its equivalent, the Company may either treat this as a request to redeem such Shareholder's entire holding or may at a later date, upon providing them with one month's notice, elect to compulsorily redeem their holding or convert their holding into another Share Class.

4.6 Costs of Third Party Agents

In certain jurisdictions in which it is registered for sale, the Company may appoint third party agents to process subscription, redemption and conversion orders from local investors. The Board has resolved that, with effect from 8 February 2010, the fees of such third party agents may, at the discretion of the Board, be borne by the Company as well as by local investors. By way of example, Morgan Stanley Investment Funds is required under Italian law to appoint third party correspondent banks in Italy (the "**Correspondent Banks**"), which keep the register of Italian shareholders and process their orders. With effect from 8 February 2010, the Company may bear the fees charged by the Correspondent Banks in return for the services they provide.

4.7 Timely Settlement

Investors should be aware that where timely settlement for a subscription of Shares is not made in accordance with the Prospectus, the Company may either (i) cancel the allotment of Shares and return any subscription monies to the applicant without interest; or (ii) deem the late settlement to be an application for Shares on the dealing day following such late settlement. The Company may also redeem all or part of the applicant's holding to meet the costs to the Company of late or non-payment.

4.8 Reporting Fund Status – UK Investors

Shareholders and prospective investors are referred to the section on UK taxation in the Prospectus. The following does not constitute legal or tax advice and is not a guarantee to any investor of the taxation results of investing in the Fund. Shareholders and prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of, Shares and the receipt of distributions (whether or not on redemption) in respect of such Shares under the laws of the countries in which they are liable to taxation.

From 1 December 2009, a new regime for the taxation of UK resident or UK ordinarily resident shareholders in offshore funds comes into force. Rather than funds being certified as "distributing funds", they may be certified as "reporting funds". Investors in such certified funds should retain capital gains treatment on disposal of their holdings. It is the Board's intention to apply to UK H.M Revenue & Customs for distributing fund status in respect of Shares in the AX, AHX, BX, BHX, CX, CHX, IX, IHX, NX, NHX, SX, ZX and ZHX Classes of each Fund for the period up to 31 December 2009 and to apply for reporting fund status from 1 January 2010 for all share classes that previously had distributing fund status. The Company may also decide to apply for "reporting fund" status in respect of other share classes, in which case it shall make available a list of such share classes on www.morganstanleyinvestmentfunds.com. Details of the reportable income for such share classes will be made available on the above website within 6 months of the Company's year-end or the closure or merger of a relevant fund or share class. In all cases, there can, however, be no guarantee that distributing or reporting fund certification will be obtained.

If approval as a "reporting fund" is granted, "reporting fund" status will apply to Shares of that class for each period of account of the Company provided the Company continues to comply with the applicable rules in respect of Shares of that class and does not elect for Shares of that class to become a "non-reporting fund".

For so long as "reporting fund" status is maintained, any profit on a disposal of Shares of that class (for example, by way of transfer or redemption including switching between classes of Shares) by an investor should fall to be taxed as a capital gain (subject to the rules outlined in the Prospectus for corporate investors in Bond Funds).

If "reporting fund" status is not maintained for any accounting period (or is not initially sought or obtained) in respect of a class of Shares, any gain arising on a disposal of Shares of that class (for example, by way of transfer or redemption including switching between classes of Shares) will constitute income for all purposes of United Kingdom taxation.

4.9 Certificates

The Company has resolved not to provide investors with physical certificates evidencing ownership of Shares. The Company's Share register shall continue to be conclusive evidence of ownership.

4.10 Clearstream

Clearstream is now able to support fractions of shares. As such investors in the Company are now able to hold fractions of shares via Clearstream.

4.11 ISIN Codes

ISIN Codes for the Company's share classes which have been launched can be found on www.morganstanleyinvestmentfunds.com.

4.12 Net Asset Value per Share – Available Currencies

Details of the currencies in which the Net Asset Value per Share for the Company's Funds are issued are now available on www.morganstanleyinvestmentfunds.com or from the Distributor.

4.13 Publications in Italy

The Net Asset Value of all Share Classes, notices of call for annual general meetings and any notices of the distribution of dividends and the suspension of NAV calculations (the "Required Publications") are available on www.morganstanleyinvestmentfunds.com/index_it.html.

Italian investors should note that with effect from 1 July 2009, the Required Publications will only be made available on www.morganstanleyinvestmentfunds.com/index_it.html although the Company may choose to continue to publish the Net Asset Value of certain Share Classes in Il Sole 24 Ore without being obliged to do so.



During a one month period following the date of this letter, shareholders may redeem or convert their shareholding, without charges, with the exception of any anti-dilution measures or contingent deferred sales charges disclosed in the Prospectus which, if applicable, are still due to the Company.

If shareholders have any questions or concerns about the foregoing, they should contact the Company at its registered office in Luxembourg, the Investment Adviser of the Company or the representative of the Company in their 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.

GENERAL

Capitalised terms used in this letter shall have the meaning as defined in the current prospectus of the Company, unless the context otherwise requires.

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

Following receipt of the relevant regulatory approvals, the January 2010 Prospectus of the Company will be available to investors, free of charge, at its registered office or at the offices of foreign representatives.

Luxembourg, 8 January 2010

MORGAN STANLEY INVESTMENT FUNDS

By order of the Board

Annex

| Funds | Team & Lead Portfolio Managers |
|---|--|
| Global Value Equity Fund | Global Dividend Yield -Nathalie Degans |
| Japanese Equity Advantage Fund Japanese Value Equity Fund | Japanese Equity - Kunihiro Sugio/Tadao Minaguchi/Hiroaki Yamazaki |
| Alpha Advantage European Fixed Income Fund Commodities Active GSLE Fund FX Alpha Plus Risk Controlled (RC) 200 Fund FX Alpha Plus Risk Controlled (RC) 400 Fund FX Alpha Plus Risk Controlled (RC) 800 Fund | Quantitative and Structured Solutions - Justin Simpson/Mike Nolan |
| Global Small Cap Fund | Small Cap Value - Richard Glass |
| US Small Cap Growth Fund | Small Cap Growth - Matthew Hart |
| US Value Equity Fund | Multi Cap Value - Kevin Holt /Jason Leder |

