A Sub-Fund of Morgan Stanley Funds (UK)

Sterling Corporate Bond Fund

Investment Objective

The Fund aims to provide income while also growing your investment by outperforming, net of fees, the ICE BofA Sterling Non-Gilt Index over 3 years or more.

Investment Approach

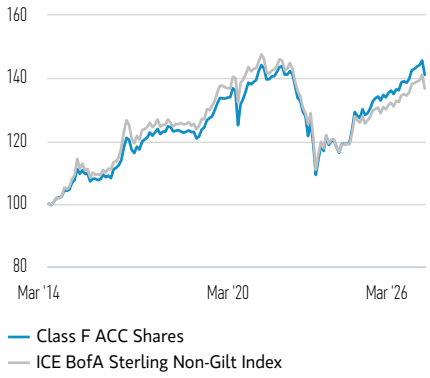
The objective of the Fund is to provide an attractive rate of return through investment primarily in sterling corporate and other sterling non-gilt fixed interest securities. A proportion of the Fund may also invest in non-sterling fixed interest securities as well as UK gilts.

Investment Team	JOINED FIRM	YEARS OF INDUSTRY EXPERIENCE
Leon Grenyer, Head of European Multi-Sector	2002	30
Dipen Patel, Head of European Investment Grade Credit	2009	17
Joseph Mehlman, CFA, Head of Global Investment Grade Credit, Co-Head of US Short Maturity	2002	24

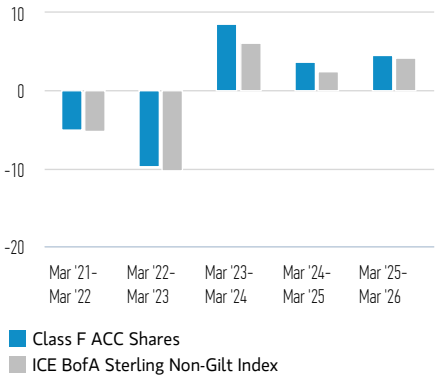
Team members may be subject to change at any time without notice.

Class F ACC shares (% net of fees) vs Index in GBP

Performance of 100 GBP Invested Since Inception (Cash Value)



12 Month Performance Periods to Latest Month End (%)



Investment Performance (% net of fees) in GBP

	Cumulative (%)				Annualised (% p.a.)			
	1 M	3 M	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
Class F ACC Shares	-3.15	-1.84	-1.84	4.53	5.57	0.20	2.43	2.89
ICE BofA Sterling Non-Gilt Index	-3.13	-1.60	-1.60	4.33	4.29	-0.69	1.90	2.62

Calendar Year Returns (%)	2025	2024	2023	2022	2021	2020	2019
Class F ACC Shares	7.33	3.60	10.67	-17.30	-2.07	7.64	10.31
ICE BofA Sterling Non-Gilt Index	6.79	1.74	8.62	-17.75	-3.03	7.96	9.47

Returns may increase or decrease as a result of currency fluctuations. All performance data is calculated NAV to NAV, net of fees, and does not take account of commissions and costs incurred on the issue and redemption of shares. The sources for all performance and index data is Morgan Stanley Investment Management ('MSIM Ltd').

BROAD MARKETS FIXED INCOME TEAM

★★★★ Morningstar Overall Rating*

Out of 411 Funds. Based on Risk Adjusted Return. Class F ACC Shares. Yr/Star Rating/Number of Funds: 3/4/411, 5/4/379, 10/4/282.

Share Class	CLASS F ACC
Currency	Sterling
ISIN	GB00BHZ7N839
Bloomberg	MSSCBFA LN
Inception date	03 March 2014
Net asset value	£ 1.41

Fund Facts	
Launch date	11 December 2000
Base currency	Sterling
Index	ICE BofA Sterling Non-Gilt Index
Total net assets	£ 77.45 million
Structure	UK OEIC

Charges (%)	CLASS F ACC
Max Entry Charge	0.00
Ongoing Charges	**0.22**
Management Fee	0.15

Entry Charge is a maximum possible figure. In some cases you might pay less, you can find this out from your financial adviser. Ongoing Charges reflect the payments and expenses incurred during the fund's operation and are deducted from the assets of the fund over the period. It includes fees paid for investment management (Management Fee), custodian, and administration charges. For more information please see the Charges and Expenses section of the prospectus.

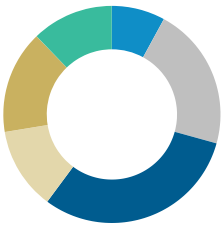
The fees provided are only attributable to the Morgan Stanley Funds UK (OEIC) and do not include any additional fees which may be incurred if packaged in a product.

Subscriptions (GBP)	CLASS F ACC
Minimum initial investment	150,000,000
Minimum subsequent Investment	0

Statistics (3 Year Annualised)	CLASS F ACC	INDEX
Excess Return (%)	1.27	--
Alpha (%)	1.28	--
Beta	1.01	1.00
Information ratio	1.49	--
R squared	0.97	1.00
Sharpe ratio	0.17	-0.08
Tracking error (%)	0.85	--
Volatility (Standard deviation) (%)	5.12	5.00

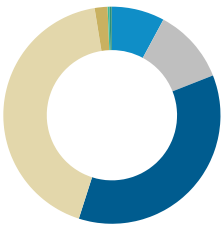
Characteristics	FUND
Duration (years)	5.59
Average maturity (years)	9.08
Average quality	A-
Average yield to maturity (%)	6.12
Number of holdings	161

Duration Distribution (% of Total Net Assets)[1]



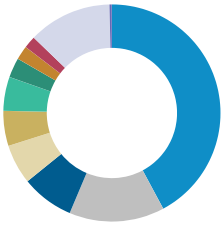
	FUND
Less than 1 Year	7.96
1 to 3 Years	21.34
3 to 5 Years	30.85
5 to 7 Years	12.26
7 to 10 Years	15.40
Greater than 10 Years	12.19

Quality Distribution (% of Total Net Assets)[1,2]



	FUND
AAA	7.88
AA	11.16
A	35.90
BBB	42.51
BB	1.93
B	0.27
Cash	0.36

Top Countries (% of Total Net Assets)[1]



	FUND
United Kingdom	42.18
U.S.	14.18
France	7.84
Germany	5.92
Spain	5.22
Australia	5.06
Italy	2.94
Supranational	2.07
United Arab Emirates	1.82
Other	12.43
Cash	0.36

[1] May not sum to 100% due to the exclusion of other assets and liabilities.

[2] Quality distribution data for securities is sourced from Fitch, Moody's and S&P. Where the credit ratings for individual securities differ between the three ratings agencies, the 'highest' rating is applied. The rating of credit default swaps is based on the 'highest' rating of the underlying reference bond. 'Cash' includes investments in short term instruments, including investments in Morgan Stanley liquidity funds.

Please refer to the Prospectus for full risk disclosures. All data as of 31.03.2026 and subject to change daily.

Share Class F ACC Risk and Reward Profile

Lower Risk **Higher Risk**

1	2	3	**4**	5	6	7

Potentially Lower Rewards **Potentially Higher Rewards**

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 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.
- Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. The value of investments and the income from them can go down as well as up and investors may lose all or a substantial portion of his or her investment.
- The value of the investments and the income from them will vary and there can be no assurance that the Fund will achieve its investment objectives.
- Investments may be in a variety of currencies and therefore changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Furthermore, the value of investments may be adversely affected by fluctuations in exchange rates between the investor's reference currency and the base currency of the investments.

Additional F Share Classes

	CURRENCY	LAUNCH	ISIN	BLOOMBERG
F INC	GBP	04.03.2014	GB00BHZ7N946	MSSCBFI LN

Please refer to the Prospectus for full risk disclosures. All data as of 31.03.2026 and subject to change daily.

IMPORTANT INFORMATION

This material has been prepared solely for informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. Investors should be aware that a diversified strategy does not protect against a loss in a particular market.

All investments involve risks, including the possible loss of principal. The material contained herein has not been based on a consideration of any individual client circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

The use of leverage increases risks, such that a relatively small movement in the value of an investment may result in a disproportionately large movement, unfavourable as well as favourable, in the value of that investment and, in turn, the value of the Fund.

Investment in the Fund concerns the acquisition of units or shares in a fund, and not in a given underlying asset such as building or shares of a company, as these are only the underlying assets owned.

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DEFINITIONS

Alpha (Jensen's) is a risk-adjusted performance measure that represents the average return on a portfolio or investment above or below that predicted by the capital asset pricing model (CAPM) given the portfolio's or investment's beta and the average market return. Prior to 6/30/2018 Alpha was calculated as the excess return of the fund versus benchmark. **Average maturity** – weighted average of the maturities of the underlying securities in the portfolio. **Average quality** – average credit quality gives a snapshot of the portfolio's overall credit quality. It is an average of each security's credit rating, adjusted for its relative weighting in the portfolio. **Average yield to maturity** measures the annual return on interest-bearing securities. In this it is assumed that they will be held to maturity. This metric includes both the coupon payments received during the term of the security and the repayment of the capital on maturity. **Beta** is a measure of the relative volatility of a fund to the market's upward or downward movements. A beta greater than 1.0 identifies an issue or fund that will move more than the market, while a beta less than 1.0 identifies an issue or fund that will move less than the market. The Beta of the Market is always equal to 1. **Bloomberg** stands for Bloomberg Global Identifier ('BBGID'). This is a unique 12 digit alphanumerical code designed to enable the identification of securities, on a Bloomberg Terminal. The Bloomberg Terminal, a system provided by Bloomberg L.P., enables analysts to access and analyse real-time financial market data. Each Bloomberg code starts with the same BBG prefix, followed by nine further characters that are listed for each share class of the Sub-Fund. **Cash & Equivalents** are defined as the value of assets that can be converted into cash immediately. These include commercial paper, open FX transactions, Treasury bills and other short-term instruments. Such instruments are considered cash equivalents because they are deemed liquid and not subject to significant risk of changes in values. **Duration** is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. **Excess Return** or value added (positive or negative) is the portfolio's return relative to the return of the benchmark. **Information ratio** is the portfolio's alpha or excess return per unit of risk, as measured by tracking error, versus the portfolio's benchmark. **ISIN** is the international securities identification number (ISIN), a 12 digit code consisting of numbers and letters that distinctly identifies securities. **NAV** is the Net Asset Value per share of the Sub-Fund (NAV), which represents the value of the assets of a fund less its liabilities. **Number of holdings** provided are a typical range, not a maximum number. The portfolio may exceed this from time to time due to market conditions and outstanding trades. **R squared** measures how well an investment's returns correlate to an index. An R squared of 1.00 means the portfolio performance is 100% correlated to the index's, whereas a low r-squared means that the portfolio performance is less correlated to the

index's. **Sharpe ratio** is a risk-adjusted measure calculated as the ratio of excess return to standard deviation. The Sharpe ratio determines reward per unit of risk. The higher the Sharpe ratio, the better the historical risk-adjusted performance. **Tracking error** is the standard deviation of the difference between the returns of an investment and its benchmark. **Volatility (Standard deviation)** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value.

INDEX INFORMATION

The **ICE BofA Sterling Non-Gilt Index:** tracks the performance of GBP denominated investment grade non-sovereign debt publicly issued in the eurobond or UK domestic market, including quasi-government, corporate, securitized and collateralized securities. Defaulted securities are excluded from the Index.

The Index has been selected as a target benchmark because it is representative of the type of bonds in which the Fund is likely to invest, and it is therefore an appropriate target for the Fund's performance.

The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to invest directly in an index.

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The **Europe/Asia and South Africa category (EAA)** includes funds domiciled in European markets, major cross-border Asian markets where material numbers of European UCITS funds are available (principally Hong Kong, Singapore and Taiwan), South Africa, and selected other Asian and African markets where Morningstar believes it is of benefit to investors for the funds to be included in the EAA classification system.

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