

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.

Sterling Corporate Bond Fund - A Income

ISIN: GB0032487554, 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 while also growing your investment by outperforming, net of fees, the ICE BofAML Sterling Non-Gilt Index over 1 to 3 years.

Main Investments

- At least 80% of the fund's investments will be in fixed income securities (e.g. bonds).

Investment Policy

- To invest in bonds, debentures and securitised debt issued by companies located globally, either in Sterling or hedged back to Sterling. The fund may also invest in non-Sterling denominated fixed interest securities; money market instruments including money market funds and UK government bonds.
- The fund may also invest up to 20% of its value in government bonds, bonds not issued in Sterling, cash and cash equivalents.

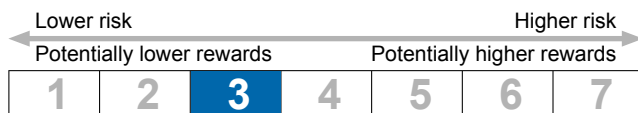
Other Information

- 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 uses the ICE Bank of America Merrill Lynch Sterling Non-Gilt Index as a target benchmark and to measure performance.
- Income may be paid in cash or additional shares.

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 are highly sensitive 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.
- There may be an insufficient number of buyers or sellers which may affect the fund's ability to buy or sell securities.

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

Entry charge	5.00%
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Exit charge	0.00%
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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

Ongoing charges	1.00%
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Charges taken from the fund under certain specific conditions

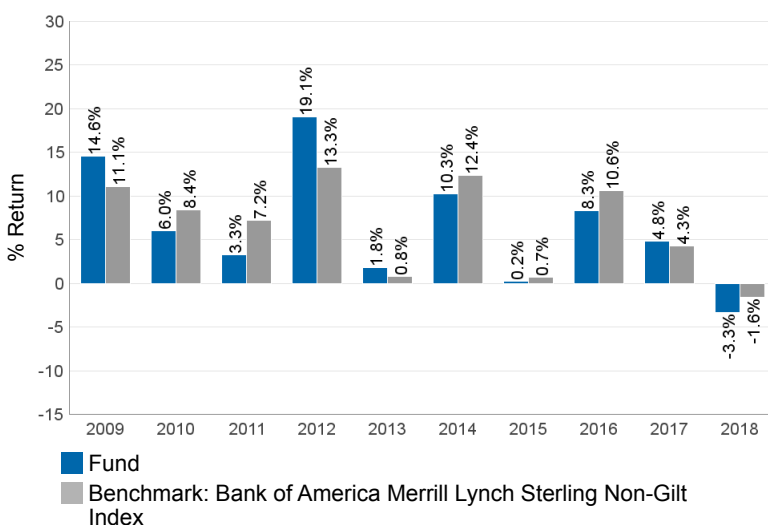
Performance fee	Not applicable
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The entry and exit charges shown are maximum figures. In some cases you might pay less, you can find this out from your financial adviser.

The ongoing charges figure is based on expenses for the year ending 31st December, 2018. This figure may vary from year to year. It excludes almost all costs of dealing in the fund's underlying investments.

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.
- This share class was launched in 2003. The fund was launched in 2000
- Past performance has been calculated in GBP
- The Fund uses the ICE Bank of America Merrill Lynch Sterling Non-Gilt Index as a target benchmark and to measure performance. The Fund is actively managed and does not base its investment process upon the Index, so will not hold every company in the Index and may also hold companies that do not form part of it. 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.

PRACTICAL INFORMATION

- The depositary is State Street Trustees Limited.
- Prices of shares and other information can be obtained at 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. 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 02/08/2019.