

**Hong Kong Investors: please refer to Appendix C
for information specific to Hong Kong Investors**

**Morgan Stanley
Investment Funds**

*Société d'Investissement
à Capital Variable
Luxembourg ("SICAV")*



Prospectus

December 2023

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Prospectus of the Morgan Stanley Investment Funds

Société d'Investissement à Capital Variable Luxembourg ("SICAV")

Morgan Stanley Investment Funds (the "Company") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part I of the Law of 17 December 2010 on undertakings for collective investment (the "2010 Law"). Such registration however does not imply a positive assessment by the supervisory authority of the quality of the shares of the Company (the "Shares") offered for sale. Any representation to the contrary is unauthorised and unlawful. The Company is an Undertaking for Collective Investment in Transferable Securities ("UCITS") for the purpose of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended (the "UCITS Directive"). The Company has appointed MSIM Fund Management (Ireland) Limited as management company (the "Management Company").

The Luxembourg law of 4 June 2009 transposing the Oslo Convention on Cluster Munitions introduced in article 3 a prohibition on the financing, with full knowledge, of cluster munitions and explosive sub-munitions. As such both the Management Company and the Company have adopted a policy designed to comply with the abovementioned Luxembourg law.

Subscriptions can be accepted only on the basis of the current prospectus (the "Prospectus"), which is valid only if accompanied by a copy of the latest Annual Report containing the audited accounts, and of the semi-annual report if such report is published after the latest Annual Report. These reports form an integral part of the Prospectus.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general shareholders' meetings, if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Company. Shareholders are advised to take advice on their rights.

No person is authorised to make any representation other than as contained in the Prospectus or in the documents referred to in the Prospectus. Such documents are available to the public at the registered office of Morgan Stanley Investment Funds, Luxembourg.

This Prospectus was prepared in English and may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as the English language document. Where there is any inconsistency between the English language document and the document in another language, the English language document shall

prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold, so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

Important: If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

The Company may, if, in the opinion of the Directors of the Company (the “Directors”), it is likely to be fiscally beneficial for the Company, invest via one or more wholly-owned subsidiaries located in any jurisdiction in the world.

The distribution of this Prospectus and the offering of the shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to make application for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions.

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Shares in the Funds. Investors should only consider investing in the Funds if they understand the risks involved including the risk of losing all capital invested. Distributors and other intermediaries which offer, recommend or sell Shares in the Funds must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such distributors and other intermediaries must consider such information about the Funds as is made available by the Management Company for the purposes of the EU’s Product Governance regime, including, without limitation, target market information. Distributors and intermediaries may obtain such information on request from MSIM Fund Management (Ireland) Limited, Luxembourg Branch at cslux@morganstanley.com.

In particular, the Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (nor has the Company been registered under the United States Investment Company Act of 1940, as amended) and may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof other than in accordance with the laws of the United States, provided however that no provisions of this Prospectus shall prevent a Morgan Stanley entity or any of its affiliates or subsidiaries from owning Shares.

Similarly, the Shares of the Morgan Stanley Investment Funds Indian Equity Fund may not be offered or sold, directly or indirectly, to persons resident in India.

Following the implementation of the Directive (EU) 2019/1160 of the European Parliament and of the Council of 20 June 2019,

amending the Directive 2009/65/EC and 2011/61/EU with regard to cross-border distribution of collective investment undertakings (the “CBDF Directive”), Member States shall ensure that a UCITS makes available, in each Member State where it intends to market its units, facilities to perform the tasks listed under article 92 of the UCITS Directive. In order to comply with such new requirements, the Company has appointed different entities in the various Member States of the EU to render these tasks. The exhaustive list of (i) the tasks to be rendered and (ii) the entities in charge of rendering such tasks is set out in “Appendix F - Facilities Agents and Services” and is also available on the following website: www.morganstanleyinvestmentfunds.com.

The Management Company acts as the global distributor for marketing the Shares and the Management Company may appoint sub-distributors (each a “distributor”). The duties of the distributors may include passing the subscription, redemption and conversion orders to the Company’s central administration in Luxembourg. The distributors may not offset the orders received or carry out any duties connected to the individual processing of the subscription, redemption and conversion orders. In addition, any investor may deal directly with the Management Company in order to subscribe for, redeem or convert Shares.

The Directors have taken all reasonable care to ensure that at the date of this Prospectus the information contained herein is accurate and complete in all material respects. The Directors accept responsibility accordingly. However, the Directors do not accept responsibility with regard to the content of the Prospectus or any information relating to the Shares other than to the Shareholders of the Company.

Any information given by any person not mentioned in the Prospectus should be regarded as unauthorised. The information contained in the Prospectus is considered to be accurate at the date of its publication. To reflect material changes, this document may be updated from time to time and potential subscribers should enquire of the Company as to the issue of any later Prospectus.

It should be remembered that the price of the Shares can go down as well as up. An investor may not get back the amount he has invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to a Sales Charge or transaction charge. Changes in exchange rates may also cause the value of Shares in the investor’s base currency to go up or down.

The Company determines the principles of the calculation of the price or net asset value of its Shares, which are implemented by the Management Company on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Sales Charge). The Net Asset Value per Share is calculated at the valuation point following the Cut-Off Point (as defined below).

The Company’s Funds are not designed for investors with short-term investment horizons. Activities which may adversely affect the

interests of the Company's Shareholders (for example that disrupt investment strategies or impact expenses) are not permitted. Specifically, market timing is not permitted.

Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, the Management Company in its discretion may, if it deems such activities adversely affect the interests of the Company's Shareholders, take action as appropriate to deter such activities.

Accordingly if the Management Company determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Company and its Shareholders.

Such measures may include the imposition of a redemption fee on the redemption proceeds of Shareholders whom the Management Company determines to have engaged in such activities, or the imposition of limits on the number of conversions of Shares between Funds which are permitted, as described under "Redemption of Shares" and "Conversion of Shares".

Potential subscribers or purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, conversion or sale of Shares.

Definitions

All references in the Prospectus to:

“Business Day”	refers to any day on which banks are open for business in London, Luxembourg, New York and Tokyo as the case may be;
“CET”	refers to Central European Time;
“Cash Equivalents”	means bank deposits (excluding bank deposits at sight), money market instruments, money market funds, or other eligible assets listed under article 41(1) of the 2010 Law;
“China A-Shares”	refers to shares denominated and traded in Chinese Yuan on the Shanghai Stock Exchange or the Shenzhen Stock Exchange and issued by Chinese companies;
“Contingent Convertible Instrument”	means a debt security which may be converted into equity securities or suffer capital losses through decreasing its face value if pre-specified events occur, depending in particular on the capital ratio levels of the issuer of the security;
“Controlling Person”	means the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the Financial Action Task Force Recommendations;
“Cut-Off Point”	refers to the time by which the Transfer Agent must receive applications for subscription, conversion or redemption in respect of a Dealing Day for such application to be processed on such Dealing Day. This shall mean 1 pm CET on a Dealing Day for all Funds;
“Dealing Day”	refers to any full Luxembourg Business Day for all Funds, save where a particular Fund has a different definition included in the investment policy section relating to that Fund. A Dealing Day shall not fall within a period of suspension of calculation of the Net Asset Value of a particular Fund. The Directors may also take into account periods during which principal stock exchanges or other markets on which a substantial portion of the investments of the Company attributable to a Fund from time to time is quoted or dealt in are closed otherwise than for ordinary holidays, or dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Company attributable to such Fund quoted on such principal stock exchanges or other markets. The Directors may elect to treat such closures as “non-Dealing Days” for Funds which trade a substantial amount of their portfolio on these closed principal stock exchanges or other markets. A list of expected “non-Dealing Days” for the Funds is available from the Company’s website (www.morganstanleyinvestmentfunds.com) and will be updated in advance, at least semi-annually;
“EEA”	refers to the European Economic Area;
“ESG”	means environmental, social and governance factors, which are a subset of non-financial performance indicators which include sustainable, ethical and corporate governance issues such as, without limitation, the impact of a company on the environment, the conduct of social and business relationships and governance ethics. These three factors, as determined by the Investment Adviser or Investment Sub-Adviser for any particular Fund, may be considered in addition to traditional financial analysis, securities selection and portfolio construction processes;
“ETF”	refers to exchange traded fund;
“EU”	refers to the European Union;

“Euro”	refers to the currency of the member states of the EU that adopt the single currency in accordance with the Treaty establishing the European Economic Community (signed in Rome on 25 March 1957), as amended by the Treaty on EU (signed in Maastricht on 7 February 1992);
“Eurozone”	refers to those member states of the EU which have adopted the Euro as their national currency;
“Fixed Income Securities”	shall mean: <ul style="list-style-type: none"> (i) transferable securities other than equity securities; and (ii) money market instruments. <p>For the avoidance of doubt, this includes:</p> <ul style="list-style-type: none"> (i) both fixed and floating rate instruments; (ii) debt securities of any type, including all types of bonds and debentures, and including securitised debt of any type, including asset-backed securities, whether backed by mortgages including uniform mortgage-backed securities (“mortgage-backed securities”) or other receivables such as credit card debt or other loans that have been securitised; and (iii) all instruments that can be considered money market instruments, including without limitation commercial paper. <p>For these purposes subordinated and/or hybrid securities, convertible bonds and Contingent Convertible Instruments are considered to be “transferable securities other than equity securities”.</p> <p>For the avoidance of doubt, this definition shall only include instruments of the above types that are also Eligible Assets for investments of UCITS, subject to the provisions of Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions (the “Directive 2007/16/EC”);</p>
“JPY” or “Yen”	refer to the currency of Japan;
“KID”	the document containing key information for investors pursuant to Regulation 583/2010 of 1 July 2010 and/or Regulation 1286/2014 of 26 November 2014, as applicable, and as referred to in the UCITS Directive.
the “Law”	refers to the laws of the Grand Duchy of Luxembourg;
“Located”	means the Investment Adviser’s opinion on where an issuer is located, for the purposes of a specific Fund. This may differ from Fund to Fund. The Investment Adviser’s opinion will be based on one or more of the following factors: <ul style="list-style-type: none"> (i) The primary market on which the issuer’s equity securities are listed, quoted or traded; (ii) The issuer’s country of incorporation; (iii) The issuer’s country of domicile; (iv) The countries from which the issuer derives its revenue; (v) Any other factors which the Investment Adviser, acting reasonably, considers denote an economic exposure to a particular location;

“Moody’s”	means Moody’s Investors Service, Inc.;
“Net Asset Value” or “NAV”	refer to the net asset value of the Funds or the Classes within a Fund depending on the context;
“OECD”	refers to the Organisation for Economic Co-operation and Development;
“Reference Currency”	refers to the reference currency as defined for each fund under Section 1.1 “The Company and the Funds” of this Prospectus;
“S&P”	means Standard & Poor’s Corporation;
“Settlement Period”	means the contractual settlement period for subscriptions, redemptions and conversions of Shares, and unless otherwise indicated in Section 1.2 “Investment Objectives and Policies”, means up to five (5) Business Days after the relevant Dealing Day for Saudi Equity Fund and up to three (3) Business Days after the relevant Dealing Day for all other Funds. If banks or interbank settlement systems in the country of the settlement currency or the Share Class Currency are closed or not operational on the settlement date, or if the settlement date falls on a holiday as set out in the Company’s list of expected “non-Dealing Days” (which can be found on www.morganstanleyinvestmentfunds.com or www.morganstanley.com/im), settlement will be delayed until such banks or interbank settlement systems are open and operating. Any day within the Settlement Period that is a holiday or a non-Dealing Day as set out in the Company’s list of expected “non-Dealing Days” or as determined by the Directors for a Fund will be excluded when determining the settlement date;
“SFTs”	means securities financing transactions within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse;
“SFDR Website Disclosure”	means the ESG-related information that is required to be disclosed on a website, according to Article 10 of the SFDR, via the link which can be found in the relevant section of Appendix G for each Fund;
“Shanghai Stock Connect”	means the Shanghai-Hong Kong Stock Connect program;
“Shenzhen Stock Connect”	means the Shenzhen-Hong Kong Stock Connect program;
“Sterling” or “£”	refer to the currency of the United Kingdom;
“Stock Connect”	means the Shanghai Stock Connect and the Shenzhen Stock Connect which allow non-Chinese investors to purchase certain China A-Shares via brokers in Hong Kong and/or any other similar stock connect program between any other city of the People’s Republic of China and Hong Kong when it becomes available to, and can be utilised by, the Company;
“Treasuries”	shall mean government debt issued by the United States Department of the Treasury through the Bureau of the Fiscal Service. For the avoidance of doubt, this includes Treasury bills, Treasury notes, and Treasury inflation-protected securities;
“Taxonomy Regulation”	refers to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment;
“USD”, “US\$”, “U.S. Dollars” and “\$”	refer to the currency of the United States of America; and
“VaR”	refer to Value at Risk.

Section 1

1.1 The Company and the Funds

THE COMPANY

The Company is an open-ended investment company with variable capital (“*société d’investissement à capital variable*”) incorporated in Luxembourg with limited liability under Part I of the 2010 Law. The Company is presently structured to provide both institutional and individual investors with a variety of funds (hereinafter referred to collectively as the “Funds” or singularly as a “Fund”). The Company offers a range of equity, bond, asset allocation and alternative investment funds denominated in the currencies specified below (the “Reference Currencies”).

Some Funds are authorised to use derivatives and efficient portfolio management techniques as an important part of their investment strategies as described in the Funds’ investment objectives. For the purpose of the UCITS Directive and the European and Luxembourg regulation following therefrom (the “UCITS Regulations”) as applicable to the Company, these Funds are classified according to the methodology adopted by the Management Company in order to calculate the global risk exposure of each Fund. Such a classification can be found under Section 1.3 “Methodology for Calculating the Global Exposure”.

Equity Funds

Morgan Stanley Investment Funds American Resilience Fund, (Reference Currency: USD) (the “American Resilience Fund”)

Morgan Stanley Investment Funds Asia Opportunity Fund, (Reference Currency: USD) (the “Asia Opportunity Fund”)

Morgan Stanley Investment Funds Asian Property Fund, (Reference Currency: USD) (the “Asian Property Fund”)

Morgan Stanley Investment Funds Calvert Global Equity Fund, (Reference Currency: USD) (the “Calvert Global Equity Fund”)

Morgan Stanley Investment Funds Calvert Sustainable Climate Aligned Fund, (Reference Currency: USD) (the “Calvert Sustainable Climate Aligned Fund”)

Morgan Stanley Investment Funds Calvert Sustainable Climate Transition Fund, (Reference Currency: USD) (the “Calvert Sustainable Climate Transition Fund”)

Morgan Stanley Investment Funds Calvert Sustainable Developed Europe Equity Select Fund, (Reference Currency: Euro) (the “Calvert Sustainable Developed Europe Equity Select Fund”)

Morgan Stanley Investment Funds Calvert Sustainable Developed Markets Equity Select Fund, (Reference Currency: USD) (the “Calvert Sustainable Developed Markets Equity Select Fund”)

Morgan Stanley Investment Funds Calvert Sustainable Diversity, Equity and Inclusion Fund, (Reference Currency: USD) (the “Calvert Sustainable Diversity, Equity and Inclusion Fund”)

Morgan Stanley Investment Funds Calvert Sustainable Emerging Markets Equity Select Fund, (Reference Currency: USD) (the “Calvert Sustainable Emerging Markets Equity Select Fund”)

Morgan Stanley Investment Funds Calvert Sustainable US Equity Select Fund, (Reference Currency: USD) (the “Calvert Sustainable US Equity Select Fund”)

Morgan Stanley Investment Funds Calvert US Equity Fund, (Reference Currency: USD) (the “Calvert US Equity Fund”)¹

Morgan Stanley Investment Funds China A-shares Fund, (Reference Currency: USD) (the “China A-shares Fund”)

Morgan Stanley Investment Funds China Equity Fund, (Reference Currency: USD) (the “China Equity Fund”)

Morgan Stanley Investment Funds Counterpoint Global Fund, (Reference Currency: USD) (the “Counterpoint Global Fund”)

Morgan Stanley Investment Funds Developing Opportunity Fund, (Reference Currency: USD) (the “Developing Opportunity Fund”)

Morgan Stanley Investment Funds Emerging Leaders Equity Fund, (Reference Currency: USD) (the “Emerging Leaders Equity Fund”)

Morgan Stanley Investment Funds Europe Opportunity Fund, (Reference Currency: Euro) (the “Europe Opportunity Fund”)

Morgan Stanley Investment Funds European Property Fund, (Reference Currency: Euro) (the “European Property Fund”)

Morgan Stanley Investment Funds Global Brands Fund, (Reference Currency: USD) (the “Global Brands Fund”)

Morgan Stanley Investment Funds Global Brands Equity Income Fund, (Reference Currency: USD) (the “Global Brands Equity Income Fund”)

Morgan Stanley Investment Funds Global Core Equity Fund, (Reference Currency: USD) (the “Global Core Equity Fund”)

Morgan Stanley Investment Funds Global Endurance Fund, (Reference Currency: USD) (the “Global Endurance Fund”)

Morgan Stanley Investment Funds Global Focus Property Fund, (Reference Currency: USD) (the “Global Focus Property Fund”)

Morgan Stanley Investment Funds Global Infrastructure Fund, (Reference Currency: USD) (the “Global Infrastructure Fund”)

Morgan Stanley Investment Funds Global Insight Fund, (Reference Currency: USD) (the “Global Insight Fund”)

Morgan Stanley Investment Funds Global Opportunity Fund, (Reference Currency: USD) (the “Global Opportunity Fund”)

Morgan Stanley Investment Funds Global Permanence Fund, (Reference Currency: USD) (the “Global Permanence Fund”)

Morgan Stanley Investment Funds Global Property Fund, (Reference Currency: USD) (the “Global Property Fund”)

Morgan Stanley Investment Funds Global Quality Fund, (Reference Currency: USD) (the “Global Quality Fund”)

Morgan Stanley Investment Funds Global Sustain Fund, (Reference Currency: USD) (the “Global Sustain Fund”)

Morgan Stanley Investment Funds Indian Equity Fund, (Reference Currency: USD) (the “Indian Equity Fund”)

Morgan Stanley Investment Funds International Resilience Fund, (Reference Currency: USD) (the “International Resilience Fund”)

Morgan Stanley Investment Funds Japanese Equity Fund, (Reference Currency: Yen) (the “Japanese Equity Fund”)

¹ The Fund is not available for subscription at the date of this Prospectus. The Fund may be launched at the Directors’ discretion, at which time, confirmation of the launch of the Fund will be made available at the registered office of the Company.

Morgan Stanley Investment Funds Japanese Small Cap Equity Fund, (Reference Currency: Yen) (the “Japanese Small Cap Equity Fund”)

Morgan Stanley Investment Funds NextGen Emerging Markets Fund, (Reference Currency: Euro) (the “NextGen Emerging Markets Fund”)

Morgan Stanley Investment Funds Parametric Emerging Markets Fund, (Reference Currency: USD) (the “Parametric Emerging Markets Fund”)¹

Morgan Stanley Investment Funds Parametric Global Defensive Equity Fund, (Reference Currency: USD) (the “Parametric Global Defensive Equity Fund”)¹

Morgan Stanley Investment Funds Saudi Equity Fund, (Reference Currency: USD) (the “Saudi Equity Fund”)

Morgan Stanley Investment Funds Sustainable Asia Equity Fund, (Reference Currency: USD) (the “Sustainable Asia Equity Fund”)

Morgan Stanley Investment Funds Sustainable Emerging Markets Equity Fund, (Reference Currency: USD) (the “Sustainable Emerging Markets Equity Fund”)

Morgan Stanley Investment Funds Tailwinds Fund, (Reference Currency: USD) (the “Tailwinds Fund”)

Morgan Stanley Investment Funds US Advantage Fund, (Reference Currency: USD) (the “US Advantage Fund”)

Morgan Stanley Investment Funds US Core Equity Fund, (Reference Currency: USD) (the “US Core Equity Fund”)

Morgan Stanley Investment Funds US Focus Property Fund, (Reference Currency: USD) (the “US Focus Property Fund”)

Morgan Stanley Investment Funds US Growth Fund, (Reference Currency: USD) (the “US Growth Fund”)

Morgan Stanley Investment Funds US Insight Fund, (Reference Currency: USD) (the “US Insight Fund”)

Morgan Stanley Investment Funds US Permanence Fund, (Reference Currency: USD) (the “US Permanence Fund”)

Morgan Stanley Investment Funds US Property Fund, (Reference Currency: USD) (the “US Property Fund”)

Morgan Stanley Investment Funds US Value Fund, (Reference Currency: USD) (the “US Value Fund”)

Morgan Stanley Investment Funds Vitality Fund, (Reference Currency: USD) (the “Vitality Fund”)

Bond Funds

Morgan Stanley Investment Funds Calvert Global High Yield Bond Fund, (Reference Currency: USD) (the “Calvert Global High Yield Bond Fund”)

Morgan Stanley Investment Funds Calvert Sustainable Global Green Bond Fund, (Reference Currency: USD) (the “Calvert Sustainable Global Green Bond Fund”)

Morgan Stanley Investment Funds Emerging Markets Corporate Debt Fund, (Reference Currency: USD) (the “Emerging Markets Corporate Debt Fund”)

Morgan Stanley Investment Funds Emerging Markets Debt Fund, (Reference Currency: USD) (the “Emerging Markets Debt Fund”)

Morgan Stanley Investment Funds Emerging Markets Debt Opportunities Fund, (Reference Currency: USD) (the “Emerging Markets Debt Opportunities Fund”)

Morgan Stanley Investment Funds Emerging Markets Domestic Debt Fund, (Reference Currency: USD) (the “Emerging Markets Domestic Debt Fund”)

Morgan Stanley Investment Funds Emerging Markets Fixed Income Opportunities Fund, (Reference Currency: USD) (the “Emerging Markets Fixed Income Opportunities Fund”)

Morgan Stanley Investment Funds Emerging Markets Local Income Fund, (Reference Currency: USD) (the “Emerging Markets Local Income Fund”)

Morgan Stanley Investment Funds Euro Bond Fund, (Reference Currency: Euro) (the “Euro Bond Fund”)

Morgan Stanley Investment Funds Euro Corporate Bond Fund, (Reference Currency: Euro) (the “Euro Corporate Bond Fund”)

Morgan Stanley Investment Funds Euro Corporate Bond – Duration Hedged Fund, (Reference Currency: Euro) (the “Euro Corporate Bond – Duration Hedged Fund”)

Morgan Stanley Investment Funds Euro Strategic Bond Fund, (Reference Currency: Euro) (the “Euro Strategic Bond Fund”)

Morgan Stanley Investment Funds European Fixed Income Opportunities Fund, (Reference Currency: Euro) (the “European Fixed Income Opportunities Fund”)

Morgan Stanley Investment Funds European High Yield Bond Fund, (Reference Currency: Euro) (the “European High Yield Bond Fund”)

Morgan Stanley Investment Funds Floating Rate ABS Fund, (Reference Currency: EUR) (the “Floating Rate ABS Fund”)

Morgan Stanley Investment Funds Global Asset Backed Securities Focused Fund, (Reference Currency: USD) (the “Global Asset Backed Securities Focused Fund”)¹

Morgan Stanley Investment Funds Global Asset Backed Securities Fund, (Reference Currency: USD) (the “Global Asset Backed Securities Fund”)

Morgan Stanley Investment Funds Global Bond Fund, (Reference Currency: USD) (the “Global Bond Fund”)

Morgan Stanley Investment Funds Global Convertible Bond Fund, (Reference Currency: USD) (the “Global Convertible Bond Fund”)

Morgan Stanley Investment Funds Global Credit Fund, (Reference Currency: USD) (the “Global Credit Fund”)

Morgan Stanley Investment Funds Global Credit Opportunities Fund, (Reference Currency: USD) (the “Global Credit Opportunities Fund”)

Morgan Stanley Investment Funds Global Fixed Income Opportunities Fund, (Reference Currency: USD) (the “Global Fixed Income Opportunities Fund”)

Morgan Stanley Investment Funds Global High Yield Bond Fund, (Reference Currency: USD) (the “Global High Yield Bond Fund”)

Morgan Stanley Investment Funds Global Macro Fund, (Reference Currency: USD) (the “Global Macro Fund”)

Morgan Stanley Investment Funds Short Duration US Government Income Fund, (Reference Currency: USD) (the “Short Duration US Government Income Fund”)

Morgan Stanley Investment Funds Short Maturity Euro Bond Fund, (Reference Currency: Euro) (the “Short Maturity Euro Bond Fund”)

Morgan Stanley Investment Funds Short Maturity Euro Corporate Bond Fund, (Reference Currency: Euro) (the “Short Maturity Euro Corporate Bond Fund”)

Morgan Stanley Investment Funds Sustainable Euro Corporate Bond Fund, (Reference Currency: Euro) (the “Sustainable Euro Corporate Bond Fund”)

Morgan Stanley Investment Funds Sustainable Euro Strategic Bond Fund, (Reference Currency: Euro) (the “Sustainable Euro Strategic Bond Fund”)

Morgan Stanley Investment Funds US Dollar Corporate Bond Fund, (Reference Currency: USD) (the "US Dollar Corporate Bond Fund")

Morgan Stanley Investment Funds US Dollar Short Duration Bond Fund, (Reference Currency: USD) (the "US Dollar Short Duration Bond Fund")

Morgan Stanley Investment Funds US Dollar Short Duration High Yield Bond Fund, (Reference Currency: USD) (the "US Dollar Short Duration High Yield Bond Fund")

Morgan Stanley Investment Funds US High Yield Bond Fund, (Reference Currency: USD) (the "US High Yield Bond Fund")

Morgan Stanley Investment Funds US High Yield Middle Market Bond Fund, (Reference Currency: USD) (the "US High Yield Middle Market Bond Fund")

Asset Allocation Funds

Morgan Stanley Investment Funds Global Balanced Defensive Fund, (Reference Currency: Euro) (the "Global Balanced Defensive Fund")

Morgan Stanley Investment Funds Global Balanced Fund, (Reference Currency: Euro) (the "Global Balanced Fund")

Morgan Stanley Investment Funds Global Balanced Income Fund (Reference Currency: Euro) (the "Global Balanced Income Fund")

Morgan Stanley Investment Funds Global Balanced Risk Control Fund of Funds, (Reference Currency: Euro) (the "Global Balanced Risk Control Fund of Funds")

Morgan Stanley Investment Funds Global Balanced Sustainable Fund, (Reference Currency: Euro) (the "Global Balanced Sustainable Fund")

Alternative Investment Funds

Morgan Stanley Investment Funds Parametric Commodity Fund, (Reference Currency: USD) (the "Parametric Commodity Fund")¹

Morgan Stanley Investment Funds Systematic Liquid Alpha Fund, (Reference Currency: USD) (the "Systematic Liquid Alpha Fund")¹

1.2 Investment Objectives and Policies

The purpose of the Company is to provide investors with an opportunity for investment in a professionally managed fund range which seeks to spread investment risks in order to achieve an optimum return from the capital invested.

For this purpose the Company offers a range of Funds which allow investors to make their own strategic allocation by combining holdings in the various Funds in proportions of their own choosing.

In accordance with the UCITS regime, the information below includes a description of the profile of the typical investor for whom each Fund has been designed. Please note however that this information does not constitute investment advice and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of any Shares in any of the Funds. Neither the Company nor the Management Company makes any representation in relation to the suitability, appropriateness or otherwise of an investment in Shares in any of the Funds.

Sub-distributors or other intermediaries who require the manufacturer's target market assessment for the purposes of MiFID II should contact the Management Company at: cslux@morganstanley.com. Funds will not be offered for sale to the public in a given jurisdiction until all proper authorisations in the relevant jurisdiction are obtained.

Each of the Funds is managed in accordance with the investment and borrowing restrictions specified in Appendix A.

The Funds are authorised to use derivatives either for hedging or efficient portfolio management purposes or

as part of their investment strategies as described in the Funds' investment objectives. Unless stated otherwise in the investment objectives of a Fund, a Fund which uses derivatives will do so for hedging and/or efficient portfolio management purposes only. Funds using derivatives will do so within the limits specified in Section 3 of Appendix A. **Investors should refer to Section 1.5 "Risk Factors" for special risk considerations applicable to derivatives. The Funds may gain exposure to eligible financial indices or reference assets which are in line with their investment objectives through one or several total return swaps ("TRS") or similar financial derivative instruments, as further described under Appendix A.**

The Funds listed below may engage in the trading of futures, options on futures or on commodities and/or certain swaps. Although Morgan Stanley Investment Management Inc., a Sub-Adviser, is registered with the U.S. Commodity Futures Trading Commission ("CFTC") as a commodity trading advisor ("CTA") and is a member of the U.S. National Futures Association in such capacity, in respect of the Funds below for which it acts as sub-adviser, Morgan Stanley Investment Management Inc. relies on an exemption from registration as a CTA under CFTC Rule 4.14(a)(8) and, accordingly, will provide commodity interest trading advice to the Funds as if it were exempt from registration as a CTA. Morgan Stanley Investment Management Limited and the remaining Sub-Advisers are exempt from registration with the CFTC as a CTA under Rule 3.10(c)(3) in respect of the Funds below for which each entity acts as Investment Adviser or Sub-Adviser, as applicable.

American Resilience Fund	Global Fixed Income Opportunities Fund
Asia Opportunity Fund	Global Focus Property Fund
Calvert Global Equity Fund	Global High Yield Bond Fund
Calvert Global High Yield Bond Fund	Global Infrastructure Fund
Calvert Sustainable Climate Aligned Fund	Global Insight Fund
Calvert Sustainable Climate Transition Fund	Global Macro Fund
Calvert Sustainable Developed Europe Equity Select Fund	Global Opportunity Fund
Calvert Sustainable Developed Markets Equity Select Fund	Global Permanence Fund
Calvert Sustainable Diversity, Equity and Inclusion Fund	Global Property Fund
Calvert Sustainable Emerging Markets Equity Select Fund	NextGen Emerging Markets Fund
Calvert Sustainable Global Green Bond Fund	Parametric Commodity Fund
Calvert Sustainable US Equity Select Fund	Parametric Emerging Markets Fund
Calvert US Equity Fund	Parametric Global Defensive Equity Fund
Counterpoint Global Fund	Short Duration US Government Income Fund
Developing Opportunity Fund	Short Maturity Euro Corporate Bond Fund
Emerging Markets Corporate Debt Fund	Sustainable Emerging Markets Equity Fund
Emerging Markets Debt Fund	Systematic Liquid Alpha Fund
Emerging Markets Debt Opportunities Fund	Tailwinds Fund
Emerging Markets Domestic Debt Fund	US Advantage Fund
Emerging Markets Fixed Income Opportunities Fund	US Core Equity Fund
Emerging Markets Local Income Fund	US Dollar Corporate Bond Fund
Europe Opportunity Fund	US Dollar Short Duration Bond Fund
European Fixed Income Opportunities Fund	US Dollar Short Duration High Yield Bond Fund
Floating Rate ABS Fund	US Focus Property Fund
Global Asset Backed Securities Focused Fund	US Growth Fund
Global Asset Backed Securities Fund	US High Yield Bond Fund
Global Balanced Sustainable Fund	US High Yield Middle Market Bond Fund
Global Bond Fund	US Insight Fund
Global Convertible Bond Fund	US Permanence Fund
Global Core Equity Fund	US Value Fund
Global Credit Fund	Vitality Fund
Global Credit Opportunities Fund	
Global Endurance Fund	

The Funds are authorised to employ efficient portfolio management techniques within the limits specified in Section 3 of Appendix A. **The attention of investors is drawn to the fact that all Funds may from time to time use efficient portfolio management techniques. Investors should refer to Section 1.5 “Risk Factors” for special risk considerations applicable to efficient portfolio management techniques and derivatives.**

An investment in any of the Company’s Funds is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all investors. Each Fund is not intended to be a complete investment programme and investors should consider their investment goals and financial needs when making an investment decision about a particular Fund. An investment in the Company’s Funds is intended to be a medium- or long-term investment. Funds should not be used as a trading vehicle.

GENERAL INFORMATION RELATING TO THE FUNDS

The term “limited extent” will refer to a level equal to that of 10% or less of the actually invested assets (net assets after deducting Cash Equivalents) of each Fund. Individual Funds may impose different levels and these will be outlined in the objectives for that Fund. Furthermore, and unless otherwise specified in their investment objectives and strategies, the main bucket of the Funds’ investments (illustrated in investment objectives and strategies by the term “primarily”) represents at least 70% of their net assets while the ancillary bucket of the Funds’ investments represents up to 30% of their net assets. The investment objectives and strategies of the Funds may not exhaustively disclose all ancillary eligible investments under the 2010 Law that the Funds may hold, provided such eligible investments do not exceed 5% of the net assets of the Funds.

Unless otherwise specified in their investment objectives and strategies or their SFDR-related disclosures, each Fund may hold ancillary liquid assets (*i.e.*, bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of their net assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Law or for a period of time strictly necessary in case of unfavourable market conditions. Such restriction may, under exceptionally unfavourable market conditions (for instance in highly serious circumstances such as the

September 11 attacks or the bankruptcy of Lehman Brothers in 2008), temporarily be exceeded for a period of time strictly necessary up to 100% of their net assets, in order to take measures to mitigate risks relative to such exceptional unfavourable market conditions, in the best interest of the Shareholders.

Unless otherwise specified in their investment objectives and strategies, or their SFDR-related disclosures, all Funds may hold Cash Equivalents up to 100% of their net assets in order to (i) achieve their investment goals, and/or for (ii) treasury purposes, and/or (iii) in case of unfavourable market conditions. Money market instruments include without limitation commercial papers, certificates of deposit and short-term government bonds. All Funds may also invest in short-term money market funds and money market funds as defined by CESR’s Guidelines on a common definition of European money market funds dated 19 May 2010 (CESR/10-049) (Short-Term Money Market Funds and Money Market Funds). This may include investment in any sub-funds of the Morgan Stanley Liquidity Funds or any other Short-Term Money Market Funds and Money Market Funds managed by the Investment Advisers or any of the Sub-Advisers.²

The Russian Trading Stock Exchange and the Moscow Interbank Currency Exchange are the only exchanges in the Russian Federation that qualify as Recognised Exchanges within the meaning of Article 41 (1) of the 2010 Law.

Any investment in SPACs will be limited to 10% of the net assets of the Funds.

The Funds may invest in China A-Shares via Stock Connect to the extent authorised under their investment objective. Investors of the relevant Funds should refer to Section 1.5 “Risk Factors” for special risk considerations applicable to investment in China A-Shares via Stock Connect.

If a currency is mentioned in brackets in the name of a Fund, such currency is the reference currency of such Fund and is used for performance measurement and accounting purposes. It may differ from the investment currency of the Fund.

There can be no guarantee that the investment objectives of the Funds will be met.

Investors should consult the KID of the relevant Class of Share, for information relating to historic performance.

GENERAL INFORMATION RELATING TO SUSTAINABILITY RISKS INTEGRATION

In keeping with Morgan Stanley Investment Management’s commitment to sustainable investing, the Management Company has adopted a Sustainable Investing Policy which can be found on www.morganstanley.com/im/sustainable-investing and on

² The Morgan Stanley Liquidity Funds (including all of its sub-funds) are not approved for distribution to non-qualified investors in Switzerland.

www.morganstanleyinvestmentfunds.com. The Management Company's Sustainable Investing Policy outlines how the Management Company's governance structure, ESG integration, ESG Funds and stewardship, engagement and voting activities support the Company to fulfil its fiduciary duty and respond to investor preferences and needs. Stewardship activities in particular, are integral to our role as active long-term investors as they enable us to encourage companies and issuers to improve their performance on a range of sustainability issues, risks and opportunities. Approaches to engagement and stewardship vary across our investment teams based on the specific security/company, asset class, investment strategy and materiality of sustainability issues, risks and opportunities. Further details can be found in our Sustainable Investing Policy which can be found on www.morganstanley.com/im/sustainable-investing and on www.morganstanleyinvestmentfunds.com.

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Funds are required to disclose the manner in which Sustainability Risks (as defined in section 1.5.1. General Risk Factors hereafter) are integrated into the investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Funds. Where Sustainability Risks are deemed not to be relevant, the relevant Funds must disclose a clear and concise explanation of the reasons therefor.

The Management Company recognizes that various Sustainability Risks could threaten the investments at individual asset level and portfolio level. These Sustainability Risks may include climate change transition and physical risks, natural resources depletion, waste intensity, labor retention, turnover and unrest, supply chain disruption, corruption and fraud and reputational concerns associated with human rights violations.

The Management Company recognizes that the universe of relevant Sustainability Risks will grow and evolve over time. The materiality of such risks and financial impacts on an individual asset and on a portfolio as a whole depends on industry, country, asset class, and investment style. The Investment Advisers, the Sub-Advisers, or the Management Company, as the case may be, are ultimately responsible for the incorporation of materially relevant Sustainability Risks into due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring alongside with other material risk factors.

Where Sustainability Risks are integrated into investment decisions, the assessment of the likely impact of the relevant Sustainability Risks on the returns of the Funds must therefore be conducted at each Fund level. The relevant Funds, having a diversified portfolio, may be exposed to different Sustainability Risks varying from issuers, markets, sectors, financial instruments, geographical regions, etc. Unless specific information is given in relation to a

Fund under Section 1.2 "Investment Objectives and Policies", it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of a Fund. Additional information about SFDR as applicable to the Company, as the case may be, can be found on www.morganstanley.com/im.

The Funds do not promote environmental or social characteristics, have a sustainable investment as their objective, nor consider principal adverse impacts on sustainability factors, and are considered as falling within the scope of Article 6 of the SFDR except the Funds listed below³:

- American Resilience Fund (Article 8 of the SFDR);
- Asia Opportunity Fund (Article 8 of the SFDR);
- Asian Property Fund (Article 8 of the SFDR);
- Calvert Global Equity Fund (Article 8 of the SFDR);
- Calvert Global High Yield Bond Fund (Article 8 of the SFDR);
- Calvert Sustainable Climate Aligned Fund (Article 9 of the SFDR);
- Calvert Sustainable Climate Transition Fund (Article 9 of the SFDR);
- Calvert Sustainable Developed Europe Equity Select Fund (Article 9 of the SFDR);
- Calvert Sustainable Developed Markets Equity Select Fund (Article 9 of the SFDR);
- Calvert Sustainable Diversity, Equity and Inclusion Fund (Article 9 of the SFDR);
- Calvert Sustainable Emerging Markets Equity Select Fund (Article 9 of the SFDR);
- Calvert Sustainable Global Green Bond Fund (Article 9 of the SFDR);
- Calvert Sustainable US Equity Select Fund (Article 9 of the SFDR);
- Calvert US Equity Fund (Article 8 of the SFDR);
- Counterpoint Global Fund (Article 8 of the SFDR);
- Developing Opportunity Fund (Article 8 of the SFDR);
- Emerging Leaders Equity Fund (Article 8 of the SFDR);
- Emerging Markets Corporate Debt Fund (Article 8 of the SFDR);
- Emerging Markets Debt Fund (Article 8 of the SFDR);

³ With effect as of 27 December 2023, the following Funds will fall within the scope of Article 8 of the SFDR (please refer to the relevant footnotes under their respective investment objectives and policies below):

- Global Balanced Income Fund; and
- US Value Fund.

- Emerging Markets Debt Opportunities Fund (Article 8 of the SFDR);
- Emerging Markets Domestic Debt Fund (Article 8 of the SFDR);
- Emerging Markets Fixed Income Opportunities Fund (Article 8 of the SFDR);
- Emerging Markets Local Income Fund (Article 8 of the SFDR);
- Euro Bond Fund (Article 8 of the SFDR);
- Euro Corporate Bond Fund (Article 8 of the SFDR);
- Euro Corporate Bond – Duration Hedged Fund (Article 8 of the SFDR);
- Euro Strategic Bond Fund (Article 8 of the SFDR);
- Europe Opportunity Fund (Article 8 of the SFDR);
- European Fixed Income Opportunities Fund (Article 8 of the SFDR);
- European High Yield Bond Fund (Article 8 of the SFDR);
- European Property Fund (Article 8 of the SFDR);
- Floating Rate ABS Fund (Article 8 of the SFDR);
- Global Asset Backed Securities Focused Fund (Article 8 of the SFDR);
- Global Asset Backed Securities Fund (Article 8 of the SFDR);
- Global Balanced Fund (Article 8 of the SFDR);
- Global Balanced Sustainable Fund (Article 8 of the SFDR);
- Global Bond Fund (Article 8 of the SFDR);
- Global Brands Equity Income Fund (Article 8 of the SFDR);
- Global Brands Fund (Article 8 of the SFDR);
- Global Convertible Bond Fund (Article 8 of the SFDR);
- Global Credit Fund (Article 8 of the SFDR);
- Global Credit Opportunities Fund (Article 8 of the SFDR);
- Global Endurance Fund (Article 8 of the SFDR);
- Global Fixed Income Opportunities Fund (Article 8 of the SFDR);
- Global Focus Property Fund (Article 8 of the SFDR);
- Global High Yield Bond Fund (Article 8 of the SFDR);
- Global Infrastructure Fund (Article 8 of the SFDR);
- Global Insight Fund (Article 8 of the SFDR);
- Global Opportunity Fund (Article 8 of the SFDR);
- Global Permanence Fund (Article 8 of the SFDR);
- Global Property Fund (Article 8 of the SFDR);
- Global Quality Fund (Article 8 of the SFDR);
- Global Sustain Fund (Article 8 of the SFDR);
- Japanese Equity Fund (Article 8 of the SFDR);
- NextGen Emerging Markets Fund (Article 8 of the SFDR);
- Short Maturity Euro Bond Fund (Article 8 of the SFDR);
- Short Maturity Euro Corporate Bond Fund (Article 8 of the SFDR);
- Sustainable Asia Equity Fund (Article 8 of the SFDR);
- Sustainable Emerging Markets Equity Fund (Article 8 of the SFDR);
- Sustainable Euro Corporate Bond Fund (Article 8 of the SFDR);
- Sustainable Euro Strategic Bond Fund (Article 8 of the SFDR);
- Tailwinds Fund (Article 8 of the SFDR);
- US Advantage Fund (Article 8 of the SFDR);
- US Dollar Corporate Bond Fund (Article 8 of the SFDR);
- US Dollar Short Duration Bond Fund (Article 8 of the SFDR);
- US Dollar Short Duration High Yield Bond Fund (Article 8 of the SFDR);
- US Focus Property Fund (Article 8 of the SFDR);
- US Growth Fund (Article 8 of the SFDR);
- US High Yield Bond Fund (Article 8 of the SFDR);
- US High Yield Middle Market Bond Fund (Article 8 of the SFDR);
- US Insight Fund (Article 8 of the SFDR);
- US Permanence Fund (Article 8 of the SFDR);
- US Property Fund (Article 8 of the SFDR); and
- Vitality Fund (Article 8 of the SFDR).

BENCHMARKS REGULATION

The Directors, in coordination with the Management Company, have adopted written plans setting out actions, which they will take with respect to the Funds in the event that any of the benchmarks listed in the table below materially changes or ceases to be provided (the “**Contingency Plans**”), as required by article 28(2) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time (the “**Benchmarks Regulation**”). Shareholders may

access the Contingency Plans free of charge upon request at the registered office of the Company.

The benchmarks listed in the table below are being provided by the entity specified next to the name of the relevant benchmark in the table below, in its capacity as administrator, as defined in the Benchmarks Regulation, of the relevant benchmark (each a “**Benchmark Administrator**” and collectively the “**Benchmark Administrators**”). The status of each Benchmark Administrator or, where applicable, of each benchmark, in relation to the register referred to in article 36 of the Benchmarks Regulation as of the date of this Prospectus is set out next to the name of the relevant benchmark in the table below. Should any Benchmark Administrator’s or, where applicable, benchmark’s status change, this Prospectus will be updated accordingly.

Fund(s)	Benchmark(s)	Benchmark Administrator	Status of the Benchmark Administrator/ benchmark
Morgan Stanley Investment Funds Parametric Commodity Fund	Barclays Parametric Commodity Index	Barclays Bank PLC	Not listed in the register referred to in Article 36 of the Benchmarks Regulation. However, the use of this benchmark is permitted during the transitional period provided for in article 51 of the Benchmarks Regulation.

EQUITY FUNDS

The various Equity Funds have the following objectives:

AMERICAN RESILIENCE FUND

The American Resilience Fund’s investment objective is to seek long-term capital appreciation, measured in U.S. Dollars by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)) of companies located in the U.S. An issuer is considered a U.S. company if it meets one or more the following criteria: (i) its securities are traded on a recognised stock exchange in the U.S.; (ii) alone or on a consolidated basis it derives 50% or more of its annual revenues or profits from either goods produced, sales made or services performed in the U.S.; (iii) it is organised or has a principal office in the U.S.; (iv) it has at least 50% of its assets, core business operations and/or employees in the U.S., or (v) any other factor which the Investment Adviser, acting reasonably, considers denotes an economic exposure to the U.S.

The Investment Adviser seeks to invest in high quality companies that can generate sustainably high returns on operating capital by identifying companies with strong franchises typically underpinned

by hard to replicate intangible assets (including brands, networks, licences and patents) and pricing power, resulting in high gross margins. The Investment Adviser also seeks to identify capable management teams able to allocate capital effectively to grow the franchise, maintain the intangible assets and sustain or improve returns on operating capital.

The Fund may also invest, on an ancillary basis in equity securities not meeting the criteria of the Fund’s primary investments, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Investment restrictions:

- The Fund will apply climate-related restrictions to exclude investments in any company that the Investment Adviser determines:
 - has any tie to fossil fuels (such as oil, gas and coal); or
 - whose core business activity involves energy, construction materials, utilities (excluding renewable electricity and water utilities), metals and mining.
- In addition, the Fund shall not knowingly include any company:
 - whose core business activity involves weapons or civilian firearms; or
 - that is defined by the MSCI ESG Business Involvement Screening Research (“MSCI ESG BISR”) database to have any tie to controversial weapons.

The details of the above exclusions can be found in the Fund’s exclusion policy which is available on the Company’s website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted under either the first or second bullet point above after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

As an essential and integrated part of the investment process, the Investment Adviser assesses relevant factors material to long-term sustainably high returns on operating capital including ESG factors and seeks to engage with company management teams as part of this. Subject to the Fund's investment objective the Fund retains discretion over which investments are selected. Whilst ESG considerations are an integrated and fundamental part of the investment process, ESG factors are not the sole determinant of whether an investment can be made or a holding can remain in the Fund's portfolio, but instead the Investment Adviser considers material risks or opportunities in any of the ESG areas which could threaten or enhance high returns on operating capital of a company.

The Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening that the Investment Adviser sources from third party providers, including UN Global Compact violations, as well as its own engagement with company management and research. The Investment Adviser reviews securities of issuers where it believes a significant breach of the above standards and principles has occurred and typically excludes such issuers where, after conducting our research and/or engagement, the Investment Adviser believes the breach is material to the sustainability of returns on operating capital, poses significant financial and reputational risk and the issuer has not committed to appropriate remedial action. Such exclusions are determined by the Investment Adviser in its discretion rather than by reliance on third party analysis. The analysis may be supported by third party ESG controversies analysis and business involvement metrics.

The Fund relies on its research capabilities, analytical resources, and judgment to identify and monitor high quality businesses meeting their investment criteria. The Investment Adviser believes that the number of issuers with high quality businesses meeting their criteria may be limited, and accordingly, the Fund may concentrate its holdings in a relatively small number of companies.

The Investment Adviser generally considers selling a portfolio holding when it determines that the holding no longer satisfies the investment criteria or that replacing the holding with another investment should improve the Fund's valuation and/or quality.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the American Resilience Fund's investment objective, it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

ASIA OPPORTUNITY FUND

The Asia Opportunity Fund's investment objective is to seek long-term appreciation, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs)), of issuers Located in Asia, excluding Japan, and China A-Shares via Stock Connect.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser emphasises a bottom-up stock selection process, seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser seeks high quality established and emerging companies that the Investment Adviser believes are undervalued at the time of purchase. The Investment Adviser typically favours companies it believes have sustainable competitive advantages that can be monetised through growth. The investment process integrates analysis of sustainability with respect to disruptive change, financial strength, environmental and social externalities and governance (also referred to as ESG). The Investment Adviser generally

considers selling a portfolio holding when it determines that the holding no longer satisfies its investment criteria.

The Investment Adviser employs a holistic approach to ESG within its company quality assessment by analyzing potential impacts to humanity's health, environment, liberty and productivity and corporate governance practices to ensure agency, culture and trust. The Investment Adviser views incorporating ESG-related potential risks and opportunities within the investment process as important to ensure long-term stewardship of capital. Over extended time horizons, the Investment Adviser believes that ESG risks are more likely to materialize and externalities not borne by the investee company are more likely to be priced into the value of securities. Since ESG risks could potentially impact the risk and reward profile of investment opportunities, the Investment Adviser typically engages company management in constructive discussions on a range of ESG issues the Investment Adviser deems materially important.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Asia Opportunity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

ASIAN PROPERTY FUND

The Asian Property Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, by investing primarily in equity securities of companies in the real estate industry or closely related to the real estate industry Located throughout Asia and Oceania. Companies in the real estate industry or closely related to the real estate industry may include companies principally engaged in the development and/or ownership of income-producing property; companies that operate, construct, finance or sell real estate; companies with substantial real estate related holdings and/or services or products related to the real estate industry, including, but not limited to, real estate management, brokers, building products and property technology; and collective investment vehicles with exposure to property, such as publicly quoted property unit trusts, all types of eligible closed-end Real Estate Investment Trusts (REITs) and undertakings for collective investment.

The Fund may also invest, on an ancillary basis in preference shares, debt securities convertible into common shares, China A-Shares via Stock Connect, warrants and other equity linked instruments. The Fund may invest up to 20% of its net assets in China A-Shares via Stock Connect.

The investment process utilizes internal proprietary research to invest in public real estate companies that may offer the best relative value relative to their underlying assets and earnings. The Investment Adviser utilizes a bottom-up approach, valuing each security within the investment universe to arrive at an estimate of net asset value and forward cash flows. Real estate specific factors, broader equity factors, and ESG factors are assessed in the fundamental analysis to calculate appropriate valuation metrics.

The Investment Adviser also incorporates a top-down approach in the portfolio construction process by integrating several factors which may include forecasted fundamental inflections, macroeconomic considerations, and geopolitical and country risk assessments, to achieve diversified exposure across regions, countries and/or sectors.

The Investment Adviser actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in

the bottom-up stock selection process primarily by leveraging third-party ESG providers to assess and quantify ESG performance for issuers, supplementing third-party research with proprietary research conducted by the Investment Adviser including utilizing a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. Key ESG topics may include, but are not limited to: energy usage and renewables, water usage, emissions, diversity and gender equality, labour and human rights, employee and tenant health, wellness and safety and company ESG governance and disclosure. In an effort to drive positive change and encourage companies to improve their performance on material ESG issues, the Investment Adviser may approach company management with competitive insights, financially sound business cases and practical solutions to potentially improve their real estate operations. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.

Investments shall not knowingly include any company whose primary business activity in any of the following is more than 10% of company revenue:

- owning or operating real estate used for for-profit prisons;
- owning or operating real estate used to manufacture cannabis;
- manufacturing or production of tobacco;
- manufacturing or production of coal mining;
- manufacturing or production of controversial weapons and civilian firearms; and
- manufacturing or production of arctic oil and gas.

Investments shall not knowingly include the following companies:

- companies that have a notable controversy related to their operations and/or products, where the severity of the social or environmental impact of the controversy, is judged by the Investment Adviser;
- companies that fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement.
- companies that do not have at least one female board member, excluding companies Located in Japan.

The Investment Adviser references third party ESG data and its own proprietary research during the security research process. The Investment Adviser will review controversy cases (such as the exclusions noted above) that it views as being very severe using

ratings by relevant ESG data providers and internal research. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Asian Property Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

CALVERT GLOBAL EQUITY FUND

The Calvert Global Equity Fund's investment objective is to provide high total returns, consistent with reasonable risk, measured in U.S. Dollars, by primarily investing in equity securities of companies Located throughout the world (including in emerging markets for up to 30% of its net assets). Furthermore, the Fund will invest in companies that, in the opinion of the Investment Adviser, exhibit, through their operations and business practices, sound management of ESG characteristics. These characteristics include environmental sustainability, resource efficiency, support for equitable societies and respect for human rights, accountable governance, and transparent operations.

The Investment Adviser focuses on the long-term ownership of companies with sustainable business models, believing that the real value in a stock lies in its ability to compound cash flow over time. The Investment Adviser seeks to identify high or improving quality companies with secular growth characteristics, high or improving returns on invested capital, sustainable competitive advantages, durable balance sheets, and a strong capital allocation record that are trading at a discount to the Investment Adviser's estimate of the security's intrinsic value. The Investment Adviser seeks to build a concentrated and balanced portfolio that may participate in rising markets and exhibit resilience in weaker market environments.

To identify issuers which exhibit sound management of ESG characteristics, the Fund utilises a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment (the “Calvert Principles”) to the entire investment universe. Through this process, companies are assessed for their management of ESG risks and opportunities and deemed either eligible or ineligible for investment according to the Calvert Principles. Each company is evaluated relative to an appropriate peer group based on material ESG factors. The Calvert Principles can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The Investment Adviser and Calvert also seek to engage company management on financially material ESG issues identified through fundamental and ESG research processes. Engagement may seek to drive positive change, to improve the sustainability of each company, and/or to enhance long-term value creation.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund’s primary investments, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), eligible closed-end Real Estate Investment Trusts (REITS), debt securities convertible into common shares, preference shares, warrants, and other equity linked instruments, provided such securities are deemed eligible for investment according to the Calvert Principles.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Investments that are held by the Fund but subsequently become ineligible to be held by the Fund after they are acquired due to the application of the ESG criteria above will be sold. Such sales will take place over a reasonable time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or underweight a security, commence active dialogue/engagement with company management (e.g., an engagement with a company on its material ESG risks or opportunities such as climate change, diversity, labour and human rights and ESG disclosure, either solely or as part of a shareholder coalition, see “General information relating to

Sustainability Risks integration” for further information), or make adjustments to allocations.

The Investment Adviser seeks to manage individual security risk through analysis of each security’s risk/reward potential and to manage portfolio risk by constructing a diversified portfolio of what it believes to be high and improving quality companies. The Investment Adviser may sell a security when its fundamentals deteriorate, when its valuation is no longer attractive, or when other securities are identified to displace a current holding.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

In relation to this Fund, the use of “Calvert” in the name refers to Calvert Research and Management (“Calvert”), an indirect, wholly owned subsidiary of Morgan Stanley, whose role in relation to this Fund is limited to the provision of non-discretionary investment advice to the Investment Adviser to assist the Investment Adviser in its management of the Fund. Calvert has no discretion to make or recommend portfolio allocation or construction decisions on behalf of the Fund, such investment discretion being vested solely in the Investment Adviser.

The Fund is actively managed and is not designed to track a benchmark. The management of the Fund is not constrained by the composition of a benchmark. The Fund’s performance is compared against a benchmark as detailed in the Fund’s KID.

The Fund references third party ESG data and its own proprietary research data during the security research process. The Investment Adviser may also utilise third party data in its portfolio construction process. However, in some cases data on specific issuers may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

Taxonomy Regulation disclosure

The Fund’s sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Calvert Global Equity Fund’s investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;

- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

CALVERT SUSTAINABLE CLIMATE ALIGNED FUND

The Calvert Sustainable Climate Aligned Fund’s investment objective is to provide long-term capital appreciation, measured in U.S. Dollars, primarily investing in equity securities (as listed below) of companies Located in developed markets that are involved in economic activities that address climate transition and/or are aligned to the long term de-carbonisation objectives of the Paris Agreement.

The Fund will maintain a carbon profile that follows the net zero objectives of the Paris Agreement, it will maintain a substantially lower carbon footprint, of at least 50% less than that of the underlying market benchmark (MSCI World Index), and taking into account the long-term carbon reduction objectives of the Paris Agreement which may warrant a revision of the targeted range of reduction over time. Carbon footprint shall be measured as weighted average carbon intensity, defined as tonnes of CO₂ per \$1million enterprise value including cash.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), and European Depositary Receipts (EDRs).

The Fund utilizes a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment to define the investment universe while making sure that such companies do not significantly harm any environmental or social objective. The Calvert Principles for Responsible Investment can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The Investment Adviser may engage company management around financially material ESG issues that it deems to have a positive impact on society or the environment.

The Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or underweight a security, commence active dialogue/engagement with company management (*e.g.*, an engagement with a company on its material ESG risks or opportunities such as climate change, diversity, labour and human rights and ESG disclosure, either solely or as part of a shareholder coalition, see “General information relating to

Sustainability Risks integration” for further information), or make adjustments to allocations.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund’s primary investments, in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities, provided such securities meet the Investment Adviser’s ESG criteria.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser utilizes an ESG research process that seeks to differentiate companies based on the contribution of their products and services in addressing the climate transition and/or identifies companies that demonstrate commitment to the goal of net zero greenhouse gas emissions by 2050 or sooner. The Investment Adviser evaluates carbon reduction commitments, carbon emission trends and progress toward meeting net zero commitments in its assessment. Once a universe of climate transition and/or aligned companies is established, the Investment Adviser then constructs the portfolio through an optimization process that tilts the portfolio towards companies with lower carbon risk, while minimizing factor risks relative to the MSCI World Index.

The aforementioned ESG criteria will result in a 20% or more reduction of the investment universe in a significantly engaging manner, and the aim of the Investment Adviser will be to ensure that at least 90% of the issuers in the portfolio are assessed against these ESG considerations. The investment universe for these purposes is defined as the constituents of the MSCI World Index.

The Investment Adviser shall not knowingly include the following companies in the investment universe companies:

- involved with severe ESG controversies without material remediation and improvement;
- manufacturing or production of controversial weapons and civilian firearms;
- manufacturing or production of tobacco; and
- gambling.

The Investment Adviser utilizes a quantitative and qualitative ESG research process that seeks to differentiate companies based on the contribution of their products and services in addressing climate transition and/or alignment.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

Further to the above, the Investment Adviser may, at its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The positive screening process, methodology and the Calvert Principles for Responsible Investment is available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID. In the context of the Fund's ESG integration, the Investment Adviser uses the MSCI World Index for the purposes of comparing the Fund's carbon footprint.

The Fund references third party ESG data and its own proprietary research data during the security research process. The Investment Adviser may also utilize third party data in its portfolio construction process. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the Taxonomy Regulation.

Further information about sustainable investments is available in Appendix G.

Profile of the typical investor

In light of the Calvert Sustainable Climate Aligned Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;

- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

CALVERT SUSTAINABLE CLIMATE TRANSITION FUND

The Calvert Sustainable Climate Transition Fund's investment objective is to seek to provide an attractive level of total return, measured in U.S. Dollars, by investing primarily in a concentrated portfolio of equity securities, including preference shares and depositary receipts (including American Depositary Receipts (ADRs), European Depositary Receipts (EDRs), and Global Depositary Receipts (GDRs)), of companies located throughout the world that are engaged in business models that help to mitigate or adapt to climate change and that qualify as sustainable investments.

The Fund may also invest on an ancillary basis in equity securities not meeting the criteria of the Fund's primary investments, in Fixed Income Securities, debt securities convertible into common shares, warrants and other equity linked instruments issued by any corporations engaged in climate change businesses, as well as in China A-Shares via Stock Connect provided such investments qualify as sustainable investments. The Fund may invest up to 20% of its net assets in China A-Shares via Stock Connect.

Companies engaged in climate change-focused businesses may be involved directly or indirectly in, among other areas, renewable power, water management, waste management, electrification, battery storage, mobility, hydrogen, biofuels, and agriculture, as well as other operations that help to facilitate a lower carbon environment.

The Fund aims to achieve its climate change mitigation and adaptation objective by investing in companies in the aforementioned areas, and whose business models either have a current, direct impact on lowering carbon emissions or which are investing significant capital in Property, Plant, and Equipment (PP&E), technology, and processes that will help facilitate lower carbon emissions in the future and which qualify as sustainable investments. Companies are further delineated between those that are providers of an end-product or service ("**Providers**") or part of the supply chain/process enabling an end-product or service ("**Enablers**"). Broad definitions of each category are articulated below.

- **Providers and Enablers:** Companies whose products and services directly help to provide climate change mitigation support or those that enable mitigation through the supply chain of Providers;
- **Transitioning Companies:** Companies that are not currently Providers or Enablers, but are in the process of introducing new

business lines and/or changing old ones such that they will become Providers or Enablers in the future;

- **Adapters:** Companies which currently provide or in the future will provide products and services that help other companies or human stakeholders to adapt to the risks posed by climate change.

The Investment Adviser actively manages the Fund utilizing internal proprietary research to implement a fundamentally driven investment process that combines bottom-up and top-down research. The Fund will be comprised of those securities which the Investment Adviser considers offer higher forecasted total return potential relative to other opportunities in the investment universe based upon absolute valuation within the described universe.

The Fund utilizes a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment to define the investment universe, and which then seeks to differentiate companies based on the extent to which their business models help to mitigate or adapt to climate change, while making sure that such companies do not significantly harm any environmental or social objective. The Calvert Principles for Responsible Investment can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The Investment Adviser will strive to engage company management around ESG issues where it is determined it is possible to generate positive impact on the sustainable investment objective, on a company's environmental or social performance factors or its corporate governance practices.

The aforementioned ESG criteria will result in a 20% or more reduction of the investment universe in a significantly engaging manner, and the aim of the Investment Adviser will be to ensure that at least 90% of the issuers in the portfolio are assessed against these ESG considerations. The investment universe for these purposes is defined as a selection of companies across various industry groups that fit into GICS (Global Industry Classification Standard) categories including but not restricted to Industrials, Utilities, Materials, Energy, Financials, Information Technology, Consumer Discretionary and Consumer Staples and which are engaged in the climate-focused business areas described above. This selection is based on the quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment as mentioned in the paragraph above.

The Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or underweight a

security, commence active dialogue/engagement with company management (*e.g.*, an engagement with a company on its material ESG risks or opportunities such as climate change, diversity, labor and human rights and ESG disclosure, either solely or as part of a shareholder coalition, see "General information relating to Sustainability Risks integration" for further information), or make adjustments to allocations.

In addition to the above ESG objectives, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Fund references third party ESG data during the security research process, but does not rely on third party ESG data for the purposes of constructing the portfolio. The Investment Adviser relies on its own proprietary analysis for security selection and portfolio construction rather than third party analysis. However, in some cases data on specific issuers or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using reasonable estimates or third-party data.

In relation to this Fund, the use of "Calvert" in the name refers to Calvert Research and Management ("Calvert"), whose role in relation to this Fund is limited to the provision of non-discretionary investment advice to the Investment Adviser to assist the Investment Adviser in its management of the Fund. Calvert has no discretion to make discretionary investment decisions on behalf of the Fund, such investment discretion being vested solely in the Investment Adviser.

The Fund is actively managed, and the composition of the portfolio holdings is not constrained by any benchmarks.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the Taxonomy Regulation.

Further information about sustainable investments is available in Appendix G.

Profile of the typical investor

In light of the Calvert Sustainable Climate Transition Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;

- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

CALVERT SUSTAINABLE DEVELOPED EUROPE EQUITY SELECT FUND

The Calvert Sustainable Developed Europe Equity Select Fund’s investment objective is to provide long-term capital appreciation, measured in Euro, primarily investing in equity securities (as listed below) of companies Located in Europe’s developed markets, based on classification in the MSCI Europe Index, that are involved in economic activities that address global environmental or societal challenges such as environmental sustainability and resource efficiency, diversity, equity and inclusion, respect for human rights, product responsibility, human capital management and accountable governance and transparent operations, or are leaders in managing financially material environmental or social risks and opportunities, such as carbon emission management and diversity, equity and inclusion. This strategy further takes into account the long-term carbon reduction objectives of the Paris Agreement.

The Fund will maintain a carbon profile that follows the net zero objectives of the Paris Agreement, it will maintain a substantially lower carbon footprint, in the range of 50% than that of the underlying market benchmark (MSCI Europe Index) and taking into account the long-term carbon reduction objectives of the Paris Agreement which may warrant a revision of the targeted range of reduction over time. Carbon footprint shall be measured as weighted average carbon intensity, defined as tonnes of CO₂ per \$1million revenue.

Independent from the carbon net zero profile pursued by the Fund, the Fund will seek to maintain higher levels of diversity at a portfolio level than the MSCI Europe Index as measured by weighted average number of women at the board level. The Investment Adviser obtains board gender diversity data from third party vendors, which provide data on the number of women on boards at the issuer level. The Investment Adviser collects this data for all names in its investment universe for which data is available and calculates the weighted average for the Fund and the MSCI Europe Index.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depository receipts (such as American Depository Receipts (ADRs), Global Depository Receipts (GDRs), and European Depository Receipts (EDRs).

The Fund utilizes a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment to define the investment universe while making sure that such companies do not significantly harm any environmental or social objective. The

Calvert Principles for Responsible Investment can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The Investment Adviser may engage company management around financially material ESG issues that it deems to have a positive impact on society or the environment.

The Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or underweight a security, commence active dialogue/engagement with company management (*e.g.*, an engagement with a company on its material ESG risks or opportunities such as climate change, diversity, labor and human rights and ESG disclosure, either solely or as part of a shareholder coalition, see “General information relating to Sustainability Risks integration” for further information), or make adjustments to allocations.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund’s primary investments, in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities, provided such securities meet the Investment Adviser’s ESG criteria.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser seeks to identify companies it considers leaders in areas of environmental, social, and governance performance that are material to the long-term performance of the company. The Investment Adviser’s investment strategy has three main elements: 1) company identification, 2) portfolio optimization, and 3) corporate engagement.

The Investment Adviser utilizes a quantitative and qualitative ESG research process that seeks to differentiate companies based on the contribution of their products and services in addressing global environmental or societal challenges, or their management of material environmental and social Sustainability Risk exposures and opportunities. Through the quantitative process, the

Investment Adviser seeks to identify companies that are performing in the top 20-40% of their peer group on environmental or social factors determined to be financially material to the company, while not falling in the bottom 20-40% in any other material environmental, social, or governance issue based on the Investment Adviser's proprietary research. The ESG scores are determined by the Investment Adviser, using a combination of third party and customized ESG data as a base, having regard to ESG themes such as environmental sustainability and resource efficiency, diversity, equity and inclusion, respect for human rights, product responsibility, human capital management and accountable governance and transparent operations. Companies identified also undergo a qualitative review.

Once a universe of ESG leaders is established, the Investment Adviser then constructs the portfolio through an optimization process that tilts the portfolio towards ESG-leading companies that have more gender diversity and lower carbon risk, while minimizing factor risks relative to the MSCI Europe Index.

The aforementioned ESG criteria will result in a 20% or more reduction of the investment universe in a significantly engaging manner, and the aim of the Investment Adviser will be to ensure that at least 90% of the issuers in the portfolio are assessed against these ESG considerations. The investment universe for these purposes is defined as the constituents of the MSCI Europe Index.

Investment restrictions

The Investment Adviser shall not knowingly include the following companies in the investment universe companies:

- involved with severe ESG controversies without material remediation and improvement;
- manufacturing or production of controversial weapons and civilian firearms;
- manufacturing or production of tobacco; and
- gambling.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

Further to the above, the Investment Adviser may, at its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on

www.morganstanley.com/im. The positive screening process, methodology and the Calvert Principles for Responsible Investment is available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID. The Fund references the MSCI Europe Index for the purpose of defining a geographical allocation of countries the Fund will invest into. In the context of the Fund's ESG integration, the Investment Adviser also uses the MSCI Europe Index for the purposes of comparing the Fund's carbon footprint and gender diversity at the level of the boards of the portfolio components.

The Fund references third party ESG data and its own proprietary research data during the security research process. The Investment Adviser may also utilize third party data in its portfolio construction process. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the Taxonomy Regulation.

Further information about sustainable investments is available in Appendix G.

Profile of the typical investor

In light of the Calvert Sustainable Developed Europe Equity Select Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

CALVERT SUSTAINABLE DEVELOPED MARKETS EQUITY SELECT FUND

The Calvert Sustainable Developed Markets Equity Select Fund's investment objective is to provide long-term capital appreciation, measured in U.S. Dollars, primarily investing in equity securities (as listed below) of companies Located in developed markets that are involved in economic activities that address global environmental

or societal challenges, such as environmental sustainability and resource efficiency, diversity, equity and inclusion, respect for human rights, product responsibility, human capital management and accountable governance and transparent operations, or are leaders in managing financially material environmental or social risks and opportunities, such as carbon emission management and diversity, equity and inclusion. This strategy further takes into account the long-term carbon reduction objectives of the Paris Agreement.

The Fund will maintain a carbon profile that follows the net zero objectives of the Paris Agreement, it will maintain a substantially lower carbon footprint, in the range of 50% than that of the underlying market benchmark (MSCI World Index) and taking into account the long-term carbon reduction objectives of the Paris Agreement which may warrant a revision of the targeted range of reduction over time. Carbon footprint shall be measured as weighted average carbon intensity, defined as tonnes of CO₂ per \$1million revenue.

Independent from the carbon net zero profile pursued by the Fund, the Fund will seek to maintain higher levels of diversity at a portfolio level than the MSCI World Index as measured by weighted average number of women at the board level. The Investment Adviser obtains board gender diversity data from third party vendors, which provide data on the number of women on boards at the issuer level. The Investment Adviser collects this data for all names in its investment universe for which data is available and calculates the weighted average for the Fund and the MSCI World Index.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), and European Depositary Receipts (EDRs).

The Fund utilizes a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment to define the investment universe while making sure that such companies do not significantly harm any environmental or social objective. The Calvert Principles for Responsible Investment can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The Investment Adviser may engage company management around financially material ESG issues that it deems to have a positive impact on society or the environment.

The Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate

these risks, the Investment Adviser may sell or underweight a security, commence active dialogue/engagement with company management (e.g., an engagement with a company on its material ESG risks or opportunities such as climate change, diversity, labor and human rights and ESG disclosure, either solely or as part of a shareholder coalition, see “General information relating to Sustainability Risks integration” for further information), or make adjustments to allocations.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund’s primary investments, in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities, provided such securities meet the Investment Adviser’s ESG criteria.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser seeks to identify companies it considers leaders in areas of environmental, social, and governance performance that are material to the long-term performance of the company. The Investment Adviser’s investment strategy has three main elements: 1) company identification, 2) portfolio optimization, and 3) corporate engagement.

The Investment Adviser utilizes a quantitative and qualitative ESG research process that seeks to differentiate companies based on the contribution of their products and services in addressing global environmental or societal challenges, or their management of material environmental and social Sustainability Risk exposures and opportunities. Through the quantitative process, the Investment Adviser seeks to identify companies that are performing in the top 20-40% of their peer group on environmental or social factors determined to be financially material to the company, while not falling in the bottom 20-40% in any other material environmental, social, or governance issue based on the Investment Adviser’s proprietary research. The ESG scores are determined by the Investment Adviser, using a combination of third party and customized ESG data as a base, having regard to ESG themes such as environmental sustainability and resource efficiency, diversity, equity and inclusion, respect for human rights, product responsibility, human capital management and accountable

governance and transparent operations. Companies identified also undergo a qualitative review.

Once a universe of ESG leaders is established, the Investment Adviser then constructs the portfolio through an optimization process that tilts the portfolio towards ESG-leading companies that have more gender diversity and lower carbon risk, while minimizing factor risks relative to the MSCI World Index.

The aforementioned ESG criteria will result in a 20% or more reduction of the investment universe in a significantly engaging manner, and the aim of the Investment Adviser will be to ensure that at least 90% of the issuers in the portfolio are assessed against these ESG considerations. The investment universe for these purposes is defined as the constituents of the MSCI World Index.

Investment restrictions

The Investment Adviser shall not knowingly include the following companies in the investment universe companies:

- involved with severe ESG controversies without material remediation and improvement;
- manufacturing or production of controversial weapons and civilian firearms;
- manufacturing or production of tobacco; and
- gambling.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

Further to the above, the Investment Adviser may, at its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The positive screening process, methodology and the Calvert Principles for Responsible Investment is available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID. In the context of the Fund's ESG integration, the Investment Adviser uses the MSCI World Index

for the purposes of comparing the Fund's carbon footprint and gender diversity at the level of the boards of the portfolio components.

The Fund references third party ESG data and its own proprietary research data during the security research process. The Investment Adviser may also utilize third party data in its portfolio construction process. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the Taxonomy Regulation.

Further information about sustainable investments is available in Appendix G.

Profile of the typical investor

In light of the Calvert Sustainable Developed Markets Equity Select Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

CALVERT SUSTAINABLE DIVERSITY, EQUITY AND INCLUSION FUND

The Calvert Sustainable Diversity, Equity and Inclusion Fund's investment objective is to provide long-term capital appreciation and advance diversity, equity and inclusion, measured in U.S. Dollars, primarily investing in equity securities (as listed below) of companies Located globally, that demonstrate leadership or meaningful improvement in having a diverse workforce and an equal and inclusive work culture. The Investment Adviser will use an optimisation process to pick the positions that the Fund takes, based on a proprietary strategy.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), and European Depositary Receipts (EDRs)).

The Fund will seek to maintain higher levels of workforce diversity at a portfolio level than the underlying market benchmark (MSCI World Index) as measured by data available in relation to the

average number of women at the board level and average percentage of board members representing underrepresented ethnicities. The Investment Adviser obtains board of board members representing underrepresented ethnicities. The Investment Adviser obtains board gender and ethnic diversity data from third party vendors, which provide data on the number of woman and members representing underrepresented ethnicities on boards at the issuer level. The Investment Adviser collects this data for all names in its investment universe for which data is available and calculates the average of women and members representing underrepresented ethnicities on the board for the Fund and the MSCI World Index.

The Fund utilizes a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment to define the investment universe while making sure that such companies do not significantly harm any environmental or social objective. The Calvert Principles for Responsible Investment can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The Investment Adviser may engage company management around financially material ESG issues that it deems to have a positive impact on society or the environment.

The Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or underweight a security, commence active dialogue/engagement with company management (e.g., an engagement with a company on its material ESG risks or opportunities such as climate change, diversity, labor and human rights and ESG disclosure, either solely or as part of a shareholder coalition, see “General information relating to Sustainability Risks integration” for further information), or make adjustments to allocations.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund’s primary investments, in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities, provided such securities meet the Investment Adviser’s ESG criteria.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds

and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser utilizes an ESG research process that seeks to identify companies that exhibit leadership in having a gender balanced workforce across different levels and/or demonstrates leadership in ethnic diversity members relative to the country’s demographic in certain applicable countries. In addition, a company’s leadership in other dimensions of diversity among board members, specifically age, cultural background, and skill sets, are also considered. To identify companies that reflect an equal and inclusive work culture, the Investment Adviser seeks to invest in companies that have policies and procedures that adequately support equal opportunity in the hiring process, equal pay and fair promotion among all diversity groups.

The Investment Adviser also includes companies that are demonstrating meaningful improvement in their diversity practices, as evidenced by: 1) Increased diversity in workforce, specifically more gender balanced or more ethnically diverse; or 2) demonstrated progress after a severe controversy related to diversity and inclusion issues; or 3) resolved shareholder proposals (only companies based in U.S. and Canada) on diversity and inclusion issues; or 4) identified as an engagement target by the Investment Adviser on diversity and inclusion issues.

Companies are excluded from the portfolio if the Investment Adviser determines they do not show improvement in diversity practices and they meet one of the following criteria: 1) lack diversity among their board members, specifically not gender balanced or not ethnically diverse; or 2) show significant risks associated with human capital practices; or 3) have severe controversies related to diversity and inclusion issues.

The aforementioned ESG criteria will result in a 20% or more reduction of the investment universe in a significantly engaging manner, and the aim of the Investment Adviser will be to ensure that at least 90% of the issuers in the portfolio are assessed against these ESG considerations. The investment universe for these purposes is defined as the constituents of the MSCI World Index.

The Investment Adviser may engage company management around financially material ESG issues, including diversity and inclusion, that it deems will have a positive impact on society and the environment.

The Investment Adviser shall not knowingly include the following companies in the investment universe companies:

- involved with severe ESG controversies without material remediation and improvement;
- manufacturing or production of controversial weapons and civilian firearms;

- manufacturing or production of tobacco; and
- gambling.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

Further to the above, the Investment Adviser may, at its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The positive screening process, methodology and the Calvert Principles for Responsible Investment is available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID. In the context of the Fund's ESG integration, the Investment Adviser uses the MSCI World Index for the purposes of comparing the Fund's gender and ethnic diversity at the level of the boards of the portfolio components.

The Fund references third party ESG data and its own proprietary research data during the security research process. The Investment Adviser may also utilize third party data in its portfolio construction process. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the Taxonomy Regulation.

Further information about sustainable investments is available in Appendix G.

Profile of the typical investor

In light of the Calvert Sustainable Diversity, Equity and Inclusion Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;

- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

CALVERT SUSTAINABLE EMERGING MARKETS EQUITY SELECT FUND

The Calvert Sustainable Emerging Markets Equity Select Fund's investment objective is to provide long-term capital appreciation, measured in U.S. Dollars, primarily investing in equity securities (as listed below) of companies located in the world's emerging markets, that are involved in economic activities that address global environmental or societal challenges, such as environmental sustainability and resource efficiency, diversity, equity and inclusion, respect for human rights, product responsibility, human capital management and accountable governance and transparent operations, or are leaders in managing financially material environmental or social risks and opportunities, such as carbon emission management and diversity, equity and inclusion. This strategy further takes into account the long-term carbon reduction objectives of the Paris Agreement.

The Fund will maintain a carbon profile that follows the net zero objectives of the Paris Agreement, it will maintain a substantially lower carbon footprint, in the range of 50% than that of the underlying market benchmark (MSCI Emerging Markets Index) and taking into account the long-term carbon reduction objectives of the Paris Agreement which may warrant a revision of the targeted range of reduction over time. Carbon footprint shall be measured as weighted average carbon intensity, defined as tonnes of CO₂ per \$1million revenue.

Independent from the carbon net zero profile pursued by the Fund, the Fund will seek to maintain higher levels of diversity at a portfolio level than the MSCI Emerging Markets Index as measured by weighted average number of women at the board level. The Investment Adviser obtains board gender diversity data from third party vendors, which provide data on the number of women on boards at the issuer level. The Investment Adviser collects this data for all names in its investment universe for which data is available and calculates the weighted average for the Fund and the MSCI Emerging Markets Index.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), and European Depositary Receipts (EDRs).

The Fund utilizes a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment to define the investment universe while making sure that such companies do not significantly harm any environmental or social objective. The

Calvert Principles for Responsible Investment can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The Investment Adviser may engage company management around financially material ESG issues that it deems to have a positive impact on society or the environment.

The Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or underweight a security, commence active dialogue/engagement with company management (e.g., an engagement with a company on its material ESG risks or opportunities such as climate change, diversity, labor and human rights and ESG disclosure, either solely or as part of a shareholder coalition, see “General information relating to Sustainability Risks integration” for further information), or make adjustments to allocations.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund’s primary investments, in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities, provided such securities meet the Investment Adviser’s ESG criteria.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser seeks to identify companies it considers leaders in areas of environmental, social, and governance performance that are material to the long-term performance of the company. The Investment Adviser’s investment strategy has three main elements: 1) company identification, 2) portfolio optimization, and 3) corporate engagement.

The Investment Adviser utilizes a quantitative and qualitative ESG research process that seeks to differentiate companies based on the contribution of their products and services in addressing global environmental or societal challenges, or their management of material environmental and social Sustainability Risk exposures and opportunities. Through the quantitative process, the

Investment Adviser seeks to identify companies that are performing in the top 20-40% of their peer group on environmental or social factors determined to be financially material to the company, while not falling in the bottom 20-40% in any other material environmental, social, or governance issue based on the Investment Adviser’s proprietary research. The ESG scores are determined by the Investment Adviser, using a combination of third party and customized ESG data as a base, having regard to ESG themes such as environmental sustainability and resource efficiency, diversity, equity and inclusion, respect for human rights, product responsibility, human capital management and accountable governance and transparent operations. Companies identified also undergo a qualitative review.

Once a universe of ESG leaders is established, the Investment Adviser then constructs the portfolio through an optimization process that tilts the portfolio towards ESG-leading companies that have more gender diversity and lower carbon risk, while minimizing factor risks relative to the MSCI Emerging Markets Index.

The aforementioned ESG criteria will result in a 20% or more reduction of the investment universe in a significantly engaging manner, and the aim of the Investment Adviser will be to ensure that at least 90% of the issuers in the portfolio are assessed against these ESG considerations. The investment universe for these purposes is defined as the constituents of the MSCI Emerging Markets Index.

Investment restrictions

The Investment Adviser shall not knowingly include the following companies in the investment universe companies:

- involved with severe ESG controversies without material remediation and improvement;
- manufacturing or production of controversial weapons and civilian firearms;
- manufacturing or production of tobacco; and
- gambling.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

Further to the above, the Investment Adviser may, at its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they

are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The positive screening process, methodology and the Calvert Principles for Responsible Investment is available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID. In the context of the Fund's ESG integration, the Investment Adviser uses the MSCI Emerging Markets Index for the purposes of comparing the Fund's carbon footprint and gender diversity at the level of the boards of the portfolio components.

The Fund references third party ESG data and its own proprietary research data during the security research process. The Investment Adviser may also utilize third party data in its portfolio construction process. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the Taxonomy Regulation.

Further information about sustainable investments is available in Appendix G.

Profile of the typical investor

In light of the Calvert Sustainable Emerging Markets Equity Select Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

CALVERT SUSTAINABLE US EQUITY SELECT FUND

The Calvert Sustainable US Equity Select Fund's investment objective is to provide long-term capital appreciation, measured in U.S. Dollars, primarily investing in equity securities (as listed below) of large-capitalisation U.S. companies that are involved in economic activities that address global environmental or societal challenges that relate to areas such as environmental sustainability and resource efficiency, diversity, equity and inclusion, respect for human rights, product responsibility, human capital management

and accountable governance and transparent operations, or are leaders in managing financially material environmental or social risks and opportunities, such as carbon emission management and diversity, equity and inclusion. This strategy further takes into account the long-term carbon reduction objectives of the Paris Agreement.

The Fund will maintain a carbon profile that follows the net zero objectives of the Paris Agreement, it will maintain a substantially lower carbon footprint, in the range of 50% than that of the underlying market benchmark (Russell 1000 Index) and taking into account the long-term carbon reduction objectives of the Paris Agreement which may warrant a revision of the targeted range of reduction over time. Carbon footprint shall be measured as weighted average carbon intensity, defined as tonnes of CO₂ per \$1million revenue.

Independent from the carbon net zero profile pursued by the Fund, the Fund will seek to maintain higher levels of diversity at a portfolio level than the Russell 1000 Index as measured by weighted average number of women at the board level. The Investment Adviser obtains board gender diversity data from third party vendors, which provide data on the number of women on boards at the issuer level. The Investment Adviser collects this data for all names in its investment universe for which data is available and calculates the weighted average for the Fund and the Russell 1000 Index.

The Fund will seek to achieve its investment objective by investing primarily in equity securities including depositary receipts (such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), and European Depositary Receipts (EDRs).

The Fund utilizes a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment to define the investment universe while making sure that such companies do not significantly harm any environmental or social objective. The Calvert Principles for Responsible Investment can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The Investment Adviser may engage company management around financially material ESG issues that it deems to have a positive impact on society or the environment.

The Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or underweight a security, commence active dialogue/engagement with company management (*e.g.*, an engagement with a company on its material

ESG risks or opportunities such as climate change, diversity, labor and human rights and ESG disclosure, either solely or as part of a shareholder coalition, see “General information relating to Sustainability Risks integration” for further information), or make adjustments to allocations.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund’s primary investments, in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities, provided such securities meet the Investment Adviser’s ESG criteria.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser seeks to identify companies it considers leaders in areas of environmental, social, and governance performance that are material to the long-term performance of the company. The Investment Adviser’s investment strategy has three main elements: 1) company identification, 2) portfolio optimization, and 3) corporate engagement.

The Investment Adviser utilizes a quantitative and qualitative ESG research process that seeks to differentiate companies based on the contribution of their products and services in addressing global environmental or societal challenges, or their management of material environmental and social Sustainability Risk exposures and opportunities. Through the quantitative process, the Investment Adviser seeks to identify companies that are performing in the top 20-40% of their peer group on environmental or social factors determined to be financially material to the company, while not falling in the bottom 20-40% in any other material environmental, social, or governance issue based on the Investment Adviser’s proprietary research. The ESG scores are determined by the Investment Adviser, using a combination of third party and customized ESG data as a base, having regard to ESG themes such as environmental sustainability and resource efficiency, diversity, equity and inclusion, respect for human rights, product responsibility, human capital management and accountable governance and transparent operations. Companies identified also undergo a qualitative review.

Once a universe of ESG leaders is established, the Investment Adviser then constructs the portfolio through an optimization

process that tilts the portfolio towards ESG-leading companies that have more gender diversity and lower carbon risk, while minimizing factor risks relative to the Russel 1000 Index.

The aforementioned ESG criteria will result in a 20% or more reduction of the investment universe in a significantly engaging manner, and the aim of the Investment Adviser will be to ensure that at least 90% of the issuers in the portfolio are assessed against these ESG considerations. The investment universe for these purposes is defined as the constituents of the Russel 1000 Index.

Investment restrictions

The Investment Adviser shall not knowingly include the following companies in the investment universe companies:

- involved with severe ESG controversies without material remediation and improvement;
- manufacturing or production of controversial weapons and civilian firearms;
- manufacturing or production of tobacco; and
- gambling.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

Further to the above, the Investment Adviser may, at its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The positive screening process, methodology and the Calvert Principles for Responsible Investment is available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark. The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID. In the context of the Fund’s ESG integration, the Investment Adviser uses the Russel 1000 Index for the purposes of comparing the Fund’s carbon footprint and gender diversity at the level of the boards of the portfolio components.

The Fund references third party ESG data and its own proprietary research data during the security research process. The Investment

Adviser may also utilize third party data in its portfolio construction process. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the Taxonomy Regulation.

Further information about sustainable investments is available in Appendix G.

Profile of the typical investor

In light of the Calvert Sustainable US Equity Select Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

CALVERT US EQUITY FUND

The Calvert US Equity Fund's investment objective is to seek long-term capital appreciation, measured in US Dollars, by investing primarily in equity securities of large capitalisation companies with market capitalisation that are normally above 10 billion USD and Located in the US. Furthermore, the Fund will invest in companies that, in the opinion of the Investment Adviser, exhibit, through their operations and business practices, sound management of ESG characteristics. These characteristics include environmental sustainability, resource efficiency, support for equitable societies, respect for human rights, accountable governance, and transparent operations.

The Investment Adviser seeks to invest in a portfolio of high-quality companies, determined by analysis of a company's financial statements and measured by a company's demonstrated ability to consistently grow earnings over the long term. The Investment Adviser considers high quality companies as those that typically have strong balance sheets, durable cash flow, enduring competitive advantages, long product cycles, and stable demand over a business cycle, among other characteristics. The Investment Adviser may consider financial quality rankings provided by recognised rating services in their analysis. Through investment in high quality companies, the Investment Adviser seeks to build a portfolio that may participate in rising markets while minimising participation in declining markets.

To identify issuers which exhibit sound management of ESG characteristics, the Fund utilises a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment (the "Calvert Principles") to the entire investment universe. Through this process, companies are assessed for their management of ESG risks and opportunities and deemed either eligible or ineligible for investment according to the Calvert Principles. Each company is evaluated relative to an appropriate peer group based on material ESG factors. The Calvert Principles can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The Investment Adviser and Calvert also seek to engage company management on financially material ESG issues identified through fundamental and ESG research processes. Engagement may seek to drive positive change, to improve the sustainability of each company, and/or to enhance long-term value creation.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), eligible closed-end Real Estate Investment Trusts (REITS), preference shares, warrants, and other equity linked instruments, provided such securities are deemed eligible for investment according to the Calvert Principles.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Investments that are held by the Fund but subsequently become ineligible to be held by the Fund after they are acquired due to the application of the ESG criteria above will be sold. Such sales will take place over a reasonable time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or underweight a security, commence active dialogue/engagement with company management (*e.g.*, an engagement with a company on its material ESG risks or opportunities such as climate change, diversity, labour and human rights and ESG disclosure, either solely or as part of a shareholder coalition, see "General information relating to

Sustainability Risks integration” for further information), or make adjustments to allocations.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

In relation to this Fund, the use of “Calvert” in the name refers to Calvert Research and Management (“Calvert”), an indirect, wholly owned subsidiary of Morgan Stanley, whose role in relation to this Fund is limited to the provision of non-discretionary investment advice to the Investment Adviser to assist the Investment Adviser in its management of the Fund. Calvert has no discretion to make or recommend portfolio allocation or construction decisions on behalf of the Fund, such investment discretion being vested solely in the Investment Adviser.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID.

The Fund references third party ESG data and its own proprietary research data during the security research process. The Investment Adviser may also utilise third party data in its portfolio construction process. However, in some cases data on specific issuers may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

Taxonomy Regulation disclosure

The Fund’s sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Calvert US Equity Fund’s investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

CHINA A-SHARES FUND

The China A-shares Fund’s investment objective is to provide capital appreciation over the long term measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in China A-Shares of companies listed on the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange via Stock Connect. The Fund may also invest in issuers of other countries including, but not limited to, those that are listed on the Hong Kong Exchange (including China H shares and red chips) and depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)) of issuers located in any country and referring to China companies.

For the purposes of the investment policy of the China A-shares Fund, the term “China A-Shares” means shares of companies listed on the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange that are quoted in Chinese Renminbi, which may include: (i) stocks, (ii) participatory notes, (iii) preferred shares, and (iv) equity warrants.

The Fund may invest, on an ancillary basis, in equity securities that do not meet the definition of China A-Shares, which may include: (i) preference shares, (ii) debt securities convertible into common shares or preferences shares, and (iii) other equity linked securities. The Fund may also invest, to a limited extent, in ETFs, warrants on securities and other instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the China A-shares Fund’s investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;

- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

Dealing Days for the China A-shares Fund

The China A-shares Fund invests primarily through Stock Connect. Dealing Days for the China A-shares Fund therefore take into account dates on which Stock Connect is closed for trading and settlement. In this Prospectus references to Dealing Day in relation to the China A-shares Fund mean any day except: (a) any other day on which commercial banks in Luxembourg, China or Hong Kong are authorized by law or executive order to close (including Saturday and Sunday), and (b) any day on which Stock Connect is closed for trading.

CHINA EQUITY FUND

The China Equity Fund’s investment objective is to seek to provide an attractive risk-adjusted annualized return, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in equity securities of companies located in China, for the avoidance of doubt, including China A-shares of companies listed on the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange via Stock Connect, and in issuers of other countries including, but not limited to, those that are listed on the Hong Kong Exchange (including China H shares and red chips) and depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), where the underlying companies are located in China. The Fund may also invest, as part of its primary investment universe, in equity securities of companies domiciled in or exercising the predominant part of their economic activity in China and which are listed on any exchanges or over the counter markets (subject to Appendix A – Investment Powers and Restrictions).

For the purposes of the investment policy of the China Equity Fund, the term “China A-Shares” means shares of companies listed on the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange that are quoted in Chinese Renminbi, which may include: (i) stocks, (ii) participatory notes, (iii) preferred shares, and (iv) equity warrants.

The Fund may invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund’s primary investments, which may include: (i) preference shares, (ii) debt securities convertible into common shares or preference shares, and (iii) other equity linked securities. The Fund may also invest, to a limited extent, warrants on securities and other instruments including open-ended ETFs which are eligible investments for UCITS under the 2010 Law.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The investment process takes into account information about ESG issues when making investment decisions. The Sub-Adviser focus on engaging company management around corporate governance practices as well as what we deem to be materially important environmental and/or social issues facing a company.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the China Equity Fund’s investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

Dealing Days for the China Equity Fund

The China Equity Fund invests through Stock Connect. Dealing Days for the China Equity Fund therefore take into account dates on which Stock Connect is closed for trading and settlement. In this Prospectus references to Dealing Day in relation to the China Equity Fund mean any day except: (a) any other day on which commercial banks in Luxembourg, China or Hong Kong are authorized by law or executive order to close (including Saturday and Sunday), and (b) any day on which Stock Connect is closed for trading.

COUNTERPOINT GLOBAL FUND

The Counterpoint Global Fund’s investment objective is to seek long-term appreciation, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in the equity securities, including depositary receipts (including ADRs and GDRs), of established and emerging companies Located throughout the world, with capitalisations within the range of companies include in the MSCI All Country World Index.

Investment process

The investment team has a long track record in the management of different investment strategies. The portfolio managers within the team will collaborate on an ongoing basis and will allocate and

rebalance the Fund's assets across each manager's underlying and independently managed investment strategies on an opportunistic basis given current market conditions. The Fund may invest outside of these underlying and independently managed investment strategies to the extent such investments fit within the permissible investment universe of the Fund.

The investment team emphasises a bottom-up stock selection process, seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser typically invests in companies it believes have strong name recognition and sustainable competitive advantages with above average business visibility, the ability to deploy capital at high rates of return, strong balance sheets and an attractive risk/reward.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis, in debt securities convertible into common shares, preference shares, China A-Shares via Stock Connect, warrants on securities, Cash Equivalents and other equity linked securities. The Fund will not invest more than 15% of its net asset value in China A-Shares via Stock Connect. The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser actively integrates sustainability into the investment process by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or

- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of the MSCI All Country World Index. The Fund references the MSCI All Country World Index for the purpose of setting the capitalization range of issuers the Fund will invest in.

The Fund's performance is measured against the MSCI All Country World Index as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Counterpoint Global Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

DEVELOPING OPPORTUNITY FUND

The Developing Opportunity Fund's investment objective is to seek long-term appreciation, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in equity securities of issuers Located in developing markets including depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs)) and China A-Shares via Stock Connect.

Under normal market conditions, the Fund's assets will be invested primarily in equity securities of issuers located in developing, emerging or frontier emerging market countries. A country may be considered a developing, emerging or frontier emerging market based on classification in the MSCI Emerging Markets Net Index or similar classification as a developing economy by an organization such as the International Monetary Fund, the United Nations, or the World Bank. For the purpose of this Fund, "developing markets," "developing market countries," "emerging markets", "emerging market countries", "frontier emerging markets" and "frontier emerging market countries" and similar terms are used interchangeably but refer to the same underlying markets and countries.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser emphasises a bottom-up stock selection process, seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser seeks high quality companies that the Investment Adviser believes are undervalued at the time of purchase. The Investment Adviser typically favours companies it believes have sustainable competitive advantages that can be monetised through growth. The investment process integrates analysis of sustainability with respect to disruptive change, financial strength, environmental and social externalities and governance (also referred to as ESG). The Investment Adviser generally considers selling a portfolio holding when it determines that the holding no longer satisfies its investment criteria.

The Investment Adviser employs a holistic approach to ESG within its company quality assessment by analyzing potential impacts to humanity's health, environment, liberty and productivity and corporate governance practices to ensure agency, culture and trust. The Investment Adviser views incorporating ESG-related potential risks and opportunities within the investment process as important to ensure long-term stewardship of capital. Over extended time horizons, the Investment Adviser believes that ESG risks are more likely to materialize and externalities not borne by the investee

company are more likely to be priced into the value of securities. Since ESG risks could potentially impact the risk and reward profile of investment opportunities, the Investment Adviser typically engages company management in constructive discussions on a range of ESG issues the Investment Adviser deems materially important.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com) and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of the MSCI Emerging Markets Net Index. The Fund references the MSCI Emerging Markets Net Index for the purpose of defining a geographical allocation of countries the Fund will invest into. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Developing Opportunity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";

- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

EMERGING LEADERS EQUITY FUND

The Emerging Leaders Equity Fund’s investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, through investment primarily in a concentrated portfolio of equity securities, including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and China A-Shares via Stock Connect, in emerging and frontier countries. In targeting its investment objective, the Investment Adviser will invest in companies with strong performance relative to their peers on one or more ESG metrics (as detailed below).

A country may be considered emerging or frontier based on classification in the MSCI Emerging Markets Net Index or similar classification by an organisation such as the International Monetary Fund, the United Nations or the World Bank, provided that the markets of these countries are considered to be recognised exchanges (“Recognised Exchanges”) within the meaning of Article 41(1) of the 2010 Law.

On an ancillary basis the Fund may invest in Cash Equivalents, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments and, for the purpose of efficient portfolio management (including hedging), exchange traded and over-the-counter options, futures and other derivatives.

The Fund may invest in the equity securities (including ADRs and GDRs) of companies organised and located in countries other than an emerging or frontier market where the value of the company’s securities will reflect principally conditions in an emerging or frontier country, or where the principal securities trading market for the company is in an emerging or frontier country, or where 35% of the company’s revenue, sales, assets, EBITDA or profit before tax is derived from either goods produced, sales made or services performed in emerging or frontier countries. The Fund may invest in participatory notes that may be used to gain exposure to securities and markets which may not be efficiently accessed through direct investment. Exposure to participatory notes will not exceed 45% of the actually invested assets (gross assets after deducting Cash Equivalents). The Fund may invest up to 20% of its net assets in China A-Shares via Stock Connect.

The Investment Adviser integrates Sustainability Risks into its investment decision-making process, including in the conduct of due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring and portfolio management. In doing so, the Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security.

Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or underweight a security, commence active dialogue/engagement with company management, or make adjustments to the top-down allocations to geographies, sectors, or asset classes. In implementing its integration of Sustainability Risks, the Investment Adviser may utilize a combination of information sources, including company-disclosed information, non-company disclosed information, and third-party research and data.

The Investment Adviser integrates the consideration of ESG issues in its investment decision-making. The Fund seeks to achieve a lower carbon footprint than the MSCI Emerging Markets Net Index.

The Investment Adviser believes companies with forward-looking management teams that establish proactive strategies on these sustainability and ESG issues will be better positioned from a business and financial perspective over the long term than companies that do not consider them.

In addition to investing in companies that follow good governance practices and that exhibit strong management of sustainability factors relative to peers, the Fund may invest in companies in Emerging Markets that offer scalable and profitable solutions to address pressing sustainability issues including climate change and environmental/resource management. The Fund will seek to exclude certain companies that are highly exposed to Sustainability Risks, applying a best effort approach to its investment selection in this regard. The aim of the Investment Adviser will be to ensure that at least 90% of the Fund’s portfolio is subject to the sustainability analysis described above.

ESG criteria are considered by the Investment Adviser during both the investment and research process to limit exposure to Sustainability Risks. These criteria may include, but are not limited to carbon emissions, water scarcity, waste management, biodiversity, labour management, gender diversity, health & safety, product safety, data privacy & security, executive remuneration, board independence and shareholder rights. The Investment Adviser focuses on engaging company management on what it deems to be materially important governance, environmental and/or social issues facing a company. The application of the above ESG criteria should result in a 20% or more reduction of the investible universe, as defined in the first four paragraphs above.

Investments shall not knowingly include any company involved in the manufacturing or production of:

- tobacco⁴;
- adult entertainment;

⁴ The Fund does not invest in securities of issuers that generate 5% or more of revenue from tobacco manufacturing, supplying, or retailing.

- civilian firearms;
- controversial weapons;
- fossil fuels⁵;
- coal⁶;
- oil sands⁷;
- Arctic oil and gas⁸; and
- gambling⁹.

Further to the above, the Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The exclusions are determined by the Investment Adviser's own proprietary analysis rather than the reliance on third party analysis. However, the analysis may be supported by third party ESG controversies analysis and business involvement research. The exclusion criteria are applied to all equity investments within the Fund. The exclusion criteria will not be applied to investments in which the Investment Adviser does not have direct control of the underlying holdings, for example collective investment schemes or open-ended ETFs. The exclusion criteria are subject to periodic review and any changes will be reflected in the exclusion policy document. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund references third party ESG data during the security research process, but does not rely on third party ESG data for the purposes of constructing the portfolio. The Investment Adviser relies on its own proprietary analysis for security selection and portfolio construction rather than third party analysis. However, in some cases data on specific issuers or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using reasonable estimates or third-party data.

The Fund will limit the use of derivatives to efficient portfolio management and for hedging purposes only.

⁵ The Fund does not invest in securities of issuers that generate 10% or more revenue from fossil fuels.

⁶ The Fund does not invest in securities of issuers that generate 10% or more of their revenue from the mining and extraction of thermal coal, or from coal-fired power.

⁷ The Fund does not invest in securities that derive 5% or more of their revenues from the extraction or production of oil sands.

⁸ The Fund does not invest in securities of issuers that generate 5% or more of their revenue from oil and gas extraction or production in the Arctic region, including in the Arctic National Wildlife Refuge (ANWR).

⁹ The Fund does not invest in securities of issuers that generate 5% or more of revenue from gambling activities.

The Fund is actively managed and uses the MSCI Emerging Markets Net Index as a comparator benchmark, which is representative of the Emerging Markets equities universe. The benchmark is used for performance comparison purposes only and does not integrate environmental or social characteristics.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Emerging Leaders Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EUROPE OPPORTUNITY FUND

The Europe Opportunity Fund's investment objective is to seek long-term capital appreciation, measured in Euro.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depository receipts (American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and European Depository Receipts (EDRs)), of companies Located in Europe.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments. The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser emphasises a bottom-up stock selection process, seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser seeks high quality established and emerging companies that the

Investment Adviser believes are undervalued at the time of purchase. The Investment Adviser typically favours companies it believes have sustainable competitive advantages that can be monetised through growth. The investment process integrates analysis of sustainability with respect to disruptive change, financial strength, environmental and social externalities and governance (also referred to as ESG). The Investment Adviser generally considers selling a portfolio holding when it determines that the holding no longer satisfies its investment criteria.

The Investment Adviser employs a holistic approach to ESG within its company quality assessment by analyzing potential impacts to humanity's health, environment, liberty and productivity and corporate governance practices to ensure agency, culture and trust. The Investment Adviser views incorporating ESG-related potential risks and opportunities within the investment process as important to ensure long-term stewardship of capital. Over extended time horizons, the Investment Adviser believes that ESG risks are more likely to materialize and externalities not borne by the company are more likely to be priced into the value of securities. Since ESG risks could potentially impact the risk and reward profile of investment opportunities, the Investment Adviser typically engages company management in constructive discussions on a range of ESG issues the Investment Adviser deems materially important.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Europe Opportunity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EUROPEAN PROPERTY FUND

The European Property Fund's investment objective is to seek long-term capital appreciation, measured in Euro, by investing primarily in equity securities of companies in the real estate industry or closely related to the real estate industry Located throughout Europe. Companies in the real estate industry or closely related to the real estate industry may include companies principally engaged in the development and/or ownership of income-producing property; companies that operate, construct, finance or sell real estate; companies with substantial real estate related holdings and/or services or products related to the real estate industry, including, but not limited to, real estate management, brokers, building products and property technology; and collective investment vehicles with exposure to property, such as publicly quoted property unit trust, all types of eligible closed-end Real Estate Investment Trusts (REITs) and undertakings for collective investment.

The Fund may also invest on an ancillary basis in preference shares, debt securities convertible into common shares, warrants and other equity linked instruments.

The investment process utilizes internal proprietary research to invest in public real estate companies that may offer the best relative value relative to their underlying assets and earnings. The Investment Adviser utilizes a bottom-up approach, valuing each security within the investment universe to arrive at an estimate of net asset value and forward cash flows. Real estate specific factors, broader equity factors, and ESG factors are assessed in the fundamental analysis to calculate appropriate valuation metrics.

The Investment Adviser also incorporates a top-down approach in the portfolio construction process by integrating several factors which may include forecasted fundamental inflections, macroeconomic considerations, and geopolitical and country risk

assessments, to achieve diversified exposure across regions, countries and/or sectors.

The Investment Adviser actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third-party ESG providers to assess and quantify ESG performance for issuers, supplementing third-party research with proprietary research conducted by the Investment Adviser including utilizing a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. Key ESG topics may include, but are not limited to: energy usage and renewables, water usage, emissions, diversity and gender equality, labour and human rights, employee and tenant health, wellness and safety and company ESG governance and disclosure. In an effort to drive positive change and encourage companies to improve their performance on material ESG issues, the Investment Adviser may approach company management with competitive insights, financially sound business cases and practical solutions to potentially improve their real estate operations. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.

Investments shall not knowingly include any company whose primary business activity in any of the following is more than 10% of company revenue:

- owning or operating real estate used for for-profit prisons;
- owning or operating real estate used to manufacture cannabis;
- manufacturing or production of tobacco;
- manufacturing or production of coal mining;
- manufacturing or production of controversial weapons and civilian firearms; and
- manufacturing or production of arctic oil and gas.

Investments shall not knowingly include the following companies:

- companies that have a notable controversy related to their operations and/or products, where the severity of the social or environmental impact of the controversy, is judged by the Investment Adviser;
- companies that fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement; and
- companies that do not have at least one female board member.

The Investment Adviser references third party ESG data and its own proprietary research during the security research process. The Investment Adviser will review controversy cases (such as the exclusions noted above) that it views as being very severe using ratings by relevant ESG data providers and internal research. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of the benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the European Property Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BRANDS EQUITY INCOME FUND

The Global Brands Equity Income Fund's investment objective is to provide a regular income stream and long-term capital growth.

The Fund seeks to achieve its investment objective by investing primarily in high quality steady dividend yield distributing equity securities of issuers located in the world's developed markets.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in equity securities of issuers Located in emerging markets, including China A-Shares via Stock Connect, and in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and

other equity linked securities to gain exposure to issuers Located in developed and emerging markets. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund will invest in a concentrated portfolio of companies whose success the Investment Adviser believes depends on intangible assets (for example, but not limited to, brand names, copyrights, or methods of distribution) underpinning a strong business franchise.

The Fund will enter into financial derivative instruments with Morgan Stanley International Plc to enhance the level of income earned. This strategy is expected to include taking exposure via one or more swaps (the “Swaps”) to options on equity indices. This is expected to increase the amount of income earned, through receipt of the premiums received for writing the underlying options. However, in a rising market, the risk of capital losses on the Swaps resulting from the exercise of the options may be mitigated by the growth in the value of the underlying assets.

Investment restrictions:

- The Fund will apply climate-related restrictions to exclude investments in any company that the Investment Adviser determines:
 - have any tie to fossil fuels (such as oil, gas and coal); or
 - whose core business activity involves energy, construction materials, utilities (excluding renewable electricity and water utilities), metals and mining.
- In addition, the Fund shall not knowingly include any company:
 - whose core business activity involves weapons or civilian firearms; or
 - that is defined by the MSCI ESG Business Involvement Screening Research (“MSCI ESG BISR”) database to have any tie to controversial weapons.

The above restrictions are applied by the Investment Adviser to 100% of the equity securities in the Fund but are not able to be applied to the Swaps. The details of the above exclusions can be found in the Fund’s exclusion policy which is available on the Company’s website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted under either the first or second bullet point above after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment

Adviser, taking into account the best interests of the Shareholders of the Fund.

Investment process:

The Fund’s investment process focuses on high quality companies with sustainably high returns on operating capital. As an essential and integrated part of the investment process, the Investment Adviser assesses relevant factors material to long-term sustainably high returns on operating capital including ESG factors and seeks to engage with company management teams as part of this. Subject to the Fund’s investment objective the Investment Adviser retains discretion over which investments are selected. Whilst ESG considerations are an integrated and fundamental part of the investment process, ESG factors are not the sole determinant of whether an investment can be made or a holding can remain in the Fund’s portfolio, but instead the Investment Adviser considers material risks or opportunities in any of the ESG areas which could threaten or enhance the high returns on operating capital of a company.

The Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening that the Investment Adviser sources from third party providers, including UN Global Compact violations, as well as its own engagement with company management and research. The Investment Adviser reviews securities of issuers where it believes a significant breach of the above standards and principles has occurred and typically excludes such issuers where, after conducting our research and/or engagement, the Investment Adviser believes the breach is material to the sustainability of returns on operating capital, poses significant financial and reputational risk and the issuer has not committed to appropriate remedial action. Such exclusions are determined by the Investment Adviser in its discretion rather than by reliance on third party analysis. The analysis may be supported by third party ESG controversies analysis and business involvement metrics.

The Fund is actively managed and is not designed to track a benchmark. The management of the Fund is not constrained by the composition of a benchmark. The Fund’s performance is compared against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The Fund’s sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Brands Equity Income Fund’s investment objective it may be appropriate for investors who:

- seek to invest in equity securities;

- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

GLOBAL BRANDS FUND

The Global Brands Fund’s investment objective is to seek an attractive long-term rate of return, measured in U.S. Dollars, through investment primarily in equity securities of companies in the world’s developed countries. The Fund will invest in a concentrated portfolio of companies whose success the Company believes depends on intangible assets (for example, but not limited to, brand names, copyrights or methods of distribution) underpinning a strong business franchise.

The Fund may also invest, on an ancillary basis in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities to gain exposure to companies in developed and emerging markets, as well as equity securities of emerging market companies and China A-Shares via Stock Connect. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund will limit the use of derivatives to hedging purposes only.

Investment restrictions:

- The Fund will apply climate-related restrictions to exclude investments in any company that the Investment Adviser determines:
 - have any tie to fossil fuels (such as oil, gas and coal); or
 - whose core business activity involves energy, construction materials, utilities (excluding renewable electricity and water utilities), metals and mining.
- In addition, the Fund shall not knowingly include any company:
 - whose core business activity involves weapons or civilian firearms; or
 - that is defined by the MSCI ESG Business Involvement Screening Research (“MSCI ESG BISR”) database to have any tie to controversial weapons.

The details of the above exclusions can be found in the Fund’s exclusion policy which is available on the Company’s website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on

www.morganstanley.com/im. Investments that are held by the Fund but become restricted under either the first or second bullet point above after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

Investment process:

The Fund’s investment process focuses on high quality companies with sustainably high returns on operating capital. As an essential and integrated part of the investment process, the Investment Adviser assesses relevant factors material to long-term sustainably high returns on operating capital including ESG factors and seeks to engage with company management teams as part of this. Subject to the Fund’s investment objective the Investment Adviser retains discretion over which investments are selected. Whilst ESG considerations are an integrated and fundamental part of the investment process, ESG factors are not the sole determinant of whether an investment can be made or a holding can remain in the Fund’s portfolio, but instead the Investment Adviser considers material risks or opportunities in any of the ESG areas which could threaten or enhance the high returns on operating capital of a company.

The Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening that the Investment Adviser sources from third party providers, including UN Global Compact violations, as well as its own engagement with company management and research. The Investment Adviser reviews securities of issuers where it believes a significant breach of the above standards and principles has occurred and typically excludes such issuers where, after conducting our research and/or engagement, the Investment Adviser believes the breach is material to the sustainability of returns on operating capital, poses significant financial and reputational risk and the issuer has not committed to appropriate remedial action. Such exclusions are determined by the Investment Adviser in its discretion rather than by reliance on third party analysis. The analysis may be supported by third party ESG controversies analysis and business involvement metrics.

The Fund is actively managed and is not designed to track a benchmark. The management of the Fund is not constrained by the composition of a benchmark. The Fund’s performance is compared against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The Fund’s sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Brands Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL CORE EQUITY FUND

The Global Core Equity Fund's investment objective is to seek long-term capital appreciation, measured in USD. The Fund invests primarily in equity securities issued by mid to large capitalisation companies, including depositary receipts (such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)) and closed-end Real Estate Investment Trusts (REITS), issued by companies worldwide.

The investment process uses a combination of quantitative models, to assess market drivers, and fundamental research of individual stocks to identify companies with attractive valuations, above-average appreciation potential and competitive dividend yields.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the above requirements, debt securities convertible into common shares, preference shares, Cash Equivalents, warrants and other equity linked instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund is actively managed and is not designed to track a benchmark. The management of the Fund is not constrained by the composition of any benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Global Core Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;

- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL ENDURANCE FUND

The Global Endurance Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of established and emerging companies located throughout the world, with capitalizations within the range of companies included in the MSCI All Country World Index.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, China A-Shares via Stock Connect, warrants and other equity linked instruments. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The investment process will emphasize a bottom up stock selection process seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser seeks to invest in companies with sustainable competitive advantages. The Investment Adviser typically favours companies with rising returns on invested capital, above-average business visibility, strong free cash flow generation and an attractive risk/reward.

The Fund will make long-term investments in companies globally that the Investment Adviser believes have the most durable long-term competitive advantages.

The Fund may also invest in more moderate growth companies, companies with lower earnings volatility and/or ones with some cyclicity in their end markets.

The Investment Adviser actively integrates sustainability into the investment process by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how

environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of the MSCI All Country World Index. The Fund references the MSCI All Country World Index for the purpose of setting the capitalization range of issuers the Fund will invest in. The Fund's performance is measured against the MSCI All Country World Index as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Endurance Fund's investment objective, it may be appropriate for investors who:

- seek to invest in equity securities;

- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL FOCUS PROPERTY FUND

The Global Focus Property Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, by investing primarily in a focused, concentrated portfolio of equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of companies in the real estate industry or closely related to the real estate industry located throughout the world that the Investment Adviser considers offer higher forecasted total return potential relative to other opportunities within the above mentioned asset classes.

Companies in the real estate industry or closely related to the real estate industry may include companies principally engaged in the development and/or ownership of income-producing property; companies that operate, construct, finance or sell real estate; companies with substantial real estate related holdings and/or services or products related to the real estate industry, including, but not limited to, real estate management, brokers, building products and property technology; and collective investment vehicles with exposure to property, such as publicly quoted property unit trusts, all types of eligible closed-end Real Estate Investment Trusts (REITS) and undertakings for collective investment.

The Fund will invest primarily in companies located in the developed countries of North America, Europe and Asia, but may also invest in companies located in emerging markets.

The Fund may also invest on an ancillary basis in equity securities not meeting the criteria of the Fund's primary investments including but not limited to: preference shares and convertible preferred securities, debt securities convertible into common shares, rights and warrants to purchase equity securities, shares of investment companies, China A-Shares via Stock Connect, limited partnership interests, and other equity linked instruments. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law. In accordance with Appendix A "Investment Powers and Restrictions" non-US Dollar currency exposure may be partially or fully hedged back to U.S. Dollars. With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded

and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Investment Adviser actively manages the Fund using a high-conviction, disciplined, bottom-up, fundamentally driven investment methodology. The Fund will be comprised of those securities which the Investment Adviser considers offer higher forecasted total return potential based upon valuation relative to other opportunities in the investment universe. The Investment Adviser will assess real estate specific factors, broader equity factors, as well as ESG factors in their fundamental analysis in order to calculate appropriate valuation metrics. Top-down considerations are incorporated into the portfolio construction process and seek to achieve exposure across regions, countries and/or sectors and integrate forecasted fundamental inflections, macroeconomic considerations, geopolitical and country risk assessments, among other factors. The Investment Adviser actively selects positions in a limited number of equity securities.

The Investment Adviser actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third-party ESG providers to assess and quantify ESG performance for issuers, supplementing third-party research with proprietary research conducted by the Investment Adviser including utilizing a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. Key ESG topics may include, but are not limited to: energy usage and renewables, water usage, emissions, diversity and gender equality, labour and human rights, employee and tenant health, wellness and safety and company ESG governance and disclosure. In an effort to drive positive change and encourage companies to improve their performance on material ESG issues, the Investment Adviser may approach company management with competitive insights, financially sound business cases and practical solutions to potentially improve their real estate operations. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.

Investments shall not knowingly include any company whose primary business activity in any of the following is more than 10% of company revenue:

- owning or operating real estate used for for-profit prisons;
- owning or operating real estate used to manufacture cannabis;
- manufacturing or production of tobacco;
- manufacturing or production of coal mining;

- manufacturing or production of controversial weapons and civilian firearms; and
- manufacturing or production of arctic oil and gas.

Investments shall not knowingly include the following companies:

- companies that have a notable controversy related to their operations and/or products, where the severity of the social or environmental impact of the controversy, is judged by the Investment Adviser;
- companies that fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement; and
- companies that do not have at least one female board member, excluding companies Located in Japan.

The Investment Adviser references third party ESG data and its own proprietary research during the security research process. The Investment Adviser will review controversy cases (such as the exclusions noted above) that it views as being very severe using ratings by relevant ESG data providers and internal research. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Focus Property Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL INFRASTRUCTURE FUND

The Global Infrastructure Fund's investment objective is to seek to provide long-term capital appreciation, measured in U.S. Dollars, by

investing primarily in equity securities issued by companies, for the avoidance of doubt including closed-end Real Estate Investment Trusts (REITs), located throughout the world that are engaged in the infrastructure business. Companies in the infrastructure business may be involved in, among other areas, the transmission and distribution of electric energy; the storage, transportation and distribution of natural resources, such as natural gas, used to produce energy; the building, operation and maintenance of highways, toll roads, tunnels, bridges and parking lots; the building, operation and maintenance of airports and ports, railroads and mass transit systems; telecommunications; water treatment and distribution; waste operations; renewable power generation; and other emerging infrastructure sectors.

The Fund may also invest on an ancillary basis in preference shares, debt securities convertible into common shares, warrants and other equity linked instruments issued by any corporations engaged in infrastructure related business.

The Investment Adviser actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third-party ESG providers to assess and quantify ESG performance for issuers, supplementing third-party research with proprietary research conducted by the Investment Adviser including utilizing a framework for evaluating and assessing risks and opportunities related to ESG which are incorporated into the team's company analysis, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. In an effort to drive positive change and encourage companies to improve their performance on material ESG issues, the Investment Adviser may approach company management with competitive insights, financially sound business cases and practical solutions to potentially improve their infrastructure operations. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.

Investments shall not knowingly include any company whose primary business activity in any of the following is more than 10% of company revenue:

- manufacturing or production of tobacco;
- manufacturing or production of controversial weapons and civilian firearms;
- operating gambling activity; and
- operating adult entertainment.

Investments shall not knowingly include the following companies:

- companies that have a notable controversy related to their operations and/or products, where the severity of the social or

environmental impact of the controversy, is judged by the Investment Adviser;

- companies that fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement; and
- companies that do not have at least one female board member.

The Investment Adviser references third party ESG data and its own proprietary research during the security research process. The Investment Adviser will review controversy cases (such as the exclusions noted above) that it views as being very severe using ratings by relevant ESG data providers and internal research. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Infrastructure Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL INSIGHT FUND

The Global Insight Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, by investing primarily in securities issued by companies on a global basis. Under normal market conditions, the Fund's investment objective will be pursued by investing primarily in equity securities of established and emerging companies. The investment process will emphasize a bottom-up stock selection process, seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser typically invests in unique companies it believes have and sustainable competitive advantages with above average business visibility, the ability to deploy capital

at high rates of return, strong balance sheets and an attractive risk/reward.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also be invested, on an ancillary basis, in equities of companies not meeting the above requirements, debt securities convertible into common shares, China A-Shares via Stock Connect, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), preference shares, warrants on securities, Cash Equivalents and other equity linked securities. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Investment Adviser actively integrates sustainability into the investment process by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are

held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Insight Fund's investment objective, it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL OPPORTUNITY FUND

The Global Opportunity Fund's investment objective is to seek long-term appreciation, measured in U.S. Dollars. The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of issuers Located in any country.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis, in debt securities convertible into common shares, preference shares, China A-Shares via Stock Connect, warrants on securities, Cash Equivalents and other equity linked securities. The Fund may invest up to 20% of its net assets in China A-Shares via Stock Connect.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser emphasises a bottom-up stock selection process, seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser seeks high quality established and emerging companies that the Investment Adviser believes are undervalued at the time of purchase. The Investment Adviser typically favours companies it believes have sustainable competitive advantages that can be monetised through growth. The investment process integrates analysis of sustainability with respect to disruptive change, financial strength, environmental and social externalities and governance (also referred to as ESG). The Investment Adviser generally considers selling a portfolio holding when it determines that the holding no longer satisfies its investment criteria.

The Investment Adviser employs a holistic approach to ESG within its company quality assessment by analyzing potential impacts to humanity's health, environment, liberty and productivity and corporate governance practices to ensure agency, culture and trust. The Investment Adviser views incorporating ESG-related potential risks and opportunities within the investment process as important to ensure long-term stewardship of capital. Over extended time horizons, the Investment Adviser believes that ESG risks are more likely to materialize and externalities not borne by the investee company are more likely to be priced into the value of securities. Since ESG risks could potentially impact the risk and reward profile of investment opportunities, the Investment Adviser typically engages company management in constructive discussions on a range of ESG issues the Investment Adviser deems materially important.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Opportunity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL PERMANENCE FUND

The Global Permanence Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of established companies located throughout the world, with capitalizations within the range of companies included in the MSCI All Country World Index.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, China A-Shares via Stock Connect, warrants and other equity linked instruments. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The investment process will emphasize a bottom up stock selection process seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser typically invests in companies it believes have strong name recognition and sustainable competitive advantages with above average business visibility, the ability to deploy capital at high rates of return, strong balance sheets and an attractive risk/reward.

The Fund will make long-term investments in companies globally that the Investment Adviser believes have the most durable long-term competitive advantages. The Fund may also invest in more moderate growth companies, companies with lower earnings volatility and/or ones with some cyclicality in their end markets.

The Investment Adviser actively integrates sustainability into the investment process by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of the MSCI All Country World Index. The Fund references the MSCI All Country World Index for the purpose of setting the capitalization range of issuers the Fund will invest in. The Fund's performance is measured against the MSCI All Country World Index as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Permanence Funds' investment objective, it may be appropriate for investors who;

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL PROPERTY FUND

The Global Property Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, primarily through investment in the equity securities of companies in the real estate industry, or closely related to the real estate industry Located throughout the world. Companies in the real estate industry or closely related to the real estate industry may include companies principally engaged in the development and/or ownership of income-producing property; companies that operate, construct, finance or sell real estate; companies with substantial real estate related holdings and/or services or products related to the real estate industry, including, but not limited to, real estate management, brokers, building products and property technology; and collective investment vehicles with exposure to property, such as publicly quoted property unit trusts, all types of eligible closed-end Real Estate Investment Trusts (REITS) and undertakings for collective investment. The Fund may also invest on an ancillary basis in preference shares, debt securities convertible into common shares, warrants and other equity linked instruments.

The investment process utilizes internal proprietary research to invest in public real estate companies that may offer the best relative value relative to their underlying assets and earnings. The Investment Adviser utilizes a bottom-up approach, valuing each security within the investment universe to arrive at an estimate of net asset value and forward cash flows. Real estate specific factors, broader equity factors, and ESG factors are assessed in the fundamental analysis to calculate appropriate valuation metrics.

The Investment Adviser also incorporates a top-down approach in the portfolio construction process by integrating several factors which may include forecasted fundamental inflections, macroeconomic considerations, and geopolitical and country risk assessments, to achieve diversified exposure across regions, countries and/or sectors.

The Investment Adviser actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third-party ESG providers to assess and quantify ESG performance for issuers, supplementing third-party research with proprietary research conducted by the Investment Adviser including utilizing a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. Key ESG topics may include, but are not limited to: energy usage and renewables, water usage, emissions, diversity and gender equality, labour and human rights, employee and tenant health, wellness and safety and company ESG governance and disclosure. In an effort to drive positive change and encourage companies to improve their performance on material ESG issues, the Investment Adviser may approach company management with competitive insights, financially sound business cases and practical solutions to potentially improve their real estate operations. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.

Investments shall not knowingly include any company whose primary business activity in any of the following is more than 10% of company revenue:

- owning or operating real estate used for for-profit prisons;
- owning or operating real estate used to manufacture cannabis;
- manufacturing or production of tobacco;
- manufacturing or production of coal mining;
- manufacturing or production of controversial weapons and civilian firearms; and
- manufacturing or production of arctic oil and gas.

Investments shall not knowingly include the following companies:

- companies that have a notable controversy related to their operations and/or products, where the severity of the social or environmental impact of the controversy, is judged by the Investment Adviser;

- companies that fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement; and
- companies that do not have at least one female board member, excluding companies Located in Japan.

The Investment Adviser references third party ESG data and its own proprietary research during the security research process. The Investment Adviser will review controversy cases (such as the exclusions noted above) that it views as being very severe using ratings by relevant ESG data providers and internal research. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Property Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL QUALITY FUND

The Global Quality Fund's investment objective is to seek an attractive long-term rate of return, measured in U.S. Dollars, through investment principally in equity securities of companies in the world's developed countries. The strategy will invest in a concentrated portfolio of high quality businesses with strong management that can achieve sustainably high returns on operating capital. The Investment Adviser believes that long-term returns can best be achieved through compounding and downside protection and that high quality companies can generate superior returns for their owners over the long term. The search for high quality companies will focus on identifying companies with strong franchises, typically underpinned by hard to replicate intangible assets. Characteristics include resilient revenue streams, pricing power, typically low capital intensity and the opportunity for organic

growth. The Investment Adviser aims to buy these stocks at attractive valuations relative to their cash-flow based fundamental values.

The Fund may also invest, on an ancillary basis, in equity securities of companies located in emerging markets, including China A-Shares via Stock Connect, in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities. The Fund will limit the use of derivatives to hedging purposes only. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

Investment restrictions:

- The Fund will apply climate-related restrictions to exclude investments in any company that the Investment Adviser determines:
 - have any tie to fossil fuels (such as oil, gas and coal); or
 - whose core business activity involves energy, construction materials, utilities (excluding renewable electricity and water utilities), metals and mining.
- In addition, the Fund shall not knowingly include any company:
 - whose core business activity involves weapons or civilian firearms; or
 - that is defined by the MSCI ESG Business Involvement Screening Research (“MSCI ESG BISR”) database to have any tie to controversial weapons.

The details of the above exclusions can be found in the Fund’s exclusion policy which is available on the Company’s website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted under either the first or second bullet point above after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

Investment process:

The Fund’s investment process focuses on high quality companies with sustainably high returns on operating capital. As an essential and integrated part of the investment process, the Investment Adviser assesses relevant factors material to long-term sustainably high returns on operating capital including ESG factors and seeks to engage with company management teams as part of this. Subject to the Fund’s investment objective the Investment Adviser retains discretion over which investments are selected. Whilst ESG considerations are an integrated and fundamental part of the investment process, ESG factors are not the sole determinant of whether an investment can be

made or a holding can remain in the Fund’s portfolio, but instead the Investment Adviser considers material risks or opportunities in any of the ESG areas which could threaten or enhance the high returns on operating capital of a company.

The Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening that the Investment Adviser sources from third party providers, including UN Global Compact violations, as well as its own engagement with company management and research. The Investment Adviser reviews securities of issuers where it believes a significant breach of the above standards and principles has occurred and typically excludes such issuers where, after conducting our research and/or engagement, the Investment Adviser believes the breach is material to the sustainability of returns on operating capital, poses significant financial and reputational risk and the issuer has not committed to appropriate remedial action. Such exclusions are determined by the Investment Adviser in its discretion rather than by reliance on third party analysis. The analysis may be supported by third party ESG controversies analysis and business involvement metrics.

The Fund is actively managed and is not designed to track a benchmark. The management of the Fund is not constrained by the composition of a benchmark. The Fund’s performance is compared against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The Fund’s sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Quality Fund’s investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

GLOBAL SUSTAIN FUND

The Global Sustain Fund’s investment objective is to seek an attractive long-term rate of return, measured in U.S. Dollars. The Investment Adviser will also apply ESG criteria that seek to achieve a greenhouse gas (“GHG”) emissions intensity for the Fund that is significantly lower than that of the reference universe (which is defined, only for the purposes of comparing GHG emissions intensity, as the MSCI AC World Index). For the purpose of this Fund, the term GHG shall be

as defined by the GHG protocol and include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆) in metric tonnes and in tonnes of CO₂ equivalent.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts, of issuers Located in any jurisdiction. The Fund may, on an ancillary basis, invest in equity securities of companies Located in emerging markets, including China A-Shares via Stock Connect, as well as in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

In order to meet the low GHG emissions intensity criteria:

- the Fund will firstly exclude investments in any company that the Investment Adviser determines:
 - have any tie to fossil fuels (such as oil, gas and coal),
 - any company whose core business activity involves energy, construction materials, utilities (excluding renewable electricity and water utilities), metals and mining, or
 - for which GHG emissions intensity estimates are not available and/or cannot be estimated (in the Investment Adviser’s discretion); and
- the remaining issuers will then be ranked according to their GHG emissions intensity estimates, and those with the highest intensity will be excluded from the reference universe.

The GHG emissions based investment criteria should collectively result in a reduction of the reference universe by at least 20% in a significantly engaging manner and the Investment Adviser will ensure that at least 90% of the issuers in the portfolio are assessed against these criteria.

Investment restrictions

- In addition to the above GHG-related exclusions, investments shall not knowingly include any company whose core business activity involves the following.
 - a) tobacco;
 - b) alcohol;
 - c) adult entertainment;
 - d) gambling;

e) civilian Firearms; or

f) weapons.

- The Fund will not invest in any company that is defined by the MSCI ESG Business Involvement Screening Research (“MSCI ESG BISR”) database to have any tie to controversial weapons.
- The Fund may invest no more than 10% of its net assets in China A-Shares via Stock Connect.

The details of the above exclusions can be found in the Fund’s exclusion policy which is available on the Company’s website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted under either the first or second bullet point above after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

Investment process

The Investment Adviser seeks to invest in a concentrated portfolio of high quality, strong franchises characterised by sustainably high returns on operating capital, hard to replicate intangible assets (including brands, networks, licences and patents), and pricing power. The Investment Adviser seeks to identify capable management teams able to allocate capital effectively to grow the franchise and sustain or improve the return on operating capital.

The Fund’s investment process focuses on high quality companies with sustainably high returns on operating capital. As an essential and integrated part of the investment process, the Investment Adviser assesses relevant factors material to long-term sustainably high returns on operating capital including ESG factors and seeks to engage with company management teams as part of this. Subject to the Fund’s investment objective and the investment restrictions outlined above, the Investment Adviser retains discretion over which investments are selected. In exercising this discretion, ESG factors are not the sole determinant of whether an investment can be made or a holding can remain in the Fund’s portfolio, but instead the Investment Adviser considers material risks or opportunities in any of the ESG areas which could threaten or enhance the high returns on operating capital of a company.

The Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening that the Investment Adviser sources from third party providers, including UN Global Compact violations, as well as its own

engagement with company management and research. The Investment Adviser reviews securities of issuers where it believes a significant breach of the above standards and principles has occurred and typically excludes such issuers where, after conducting our research and/or engagement, the Investment Adviser believes the breach is material to the sustainability of returns on operating capital, poses significant financial and reputational risk and the issuer has not committed to appropriate remedial action. Such exclusions are determined by the Investment Adviser in its discretion rather than by reliance on third party analysis. The analysis may be supported by third party ESG controversies analysis and business involvement metrics.

As noted above, the Fund aims to achieve a GHG emissions intensity that is significantly lower than that of its reference universe by excluding issuers on the basis of their relative GHG emissions intensity estimates. The Investment Adviser uses third-party data providers to ascertain the GHG emissions intensity of specific issuers and in some cases data on specific issuers may not be available or may be estimated by an alternative third-party data provider or the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may vary and if the preferred data provider changes its methodology, the GHG emissions intensity estimates for one or more issuers may also change significantly. The Investment Adviser will also use its best efforts to exclude any company that the Investment Adviser determines have a tie to fossil fuels (e.g. reserve ownership, related revenues and power generation) but in some cases the data may not be available or fully representative of the activities of the issuer.

The Fund is actively managed and is not designed to track a benchmark. The management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is compared against the MSCI World Index as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Sustain Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";

- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

INDIAN EQUITY FUND

The Indian Equity Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, by investment, directly or indirectly, primarily in the equity securities of companies domiciled or exercising the predominant part of their economic activity in India. The Fund, either directly or indirectly, may also invest, on an ancillary basis, in companies listed on Indian stock exchanges which may not be domiciled or exercising the predominant part of their economic activity in India, in depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and European Depositary Receipts (EDRs)), debt securities convertible into common shares, preference shares, debentures, warrants on securities and other equity linked securities, including participatory notes. The Fund, either directly or indirectly, will invest in a concentrated portfolio of companies.

The investment process takes into account information about ESG issues when making investment decisions. The Investment Adviser focuses on engaging company management around corporate governance practices as well as what it deems to be materially important environmental and/or social issues facing a company.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Indian Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

Dealing Days for the Indian Equity Fund

Dealing days for the Indian Equity Fund take into account dates on which the Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE) are closed for trading and settlement. In this Prospectus references to Dealing Day in relation to the Indian Equity Fund mean any day except: (a) any other day on which

commercial banks in Luxembourg or India are authorized by law or executive order to close (including Saturday and Sunday), and (b) any day on which the BSE and NSE are closed for trading.

INTERNATIONAL RESILIENCE FUND

The International Resilience Fund's investment objective is to seek an attractive long-term rate of return, measured in U.S. Dollars by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs) of companies from developed and emerging markets outside of the U.S. An issuer is considered to be from a particular country (including the U.S. for purposes of the International Resilience Fund) or geographic region if: (i) its principal securities trading market is in that country or geographic region; (ii) alone or on a consolidated basis it derives 50% or more of its annual revenue or profits from goods produced, sales made or services performed in that country or geographic region or has at least 50% of its assets, core business operations and/or employees in that country or geographic region; or (iii) it is organised under the laws of, or has a principal office in, that country or geographic region. By applying these criteria, it is possible that a particular issuer could be deemed to be from more than one country or geographic region.

The Fund may also invest, on an ancillary basis, in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities to gain exposure to companies in developed and emerging markets, as well as equity securities of emerging market companies and China A-Shares via Stock Connect. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Investment Adviser seeks to invest in high quality companies that can generate high returns on operating capital by identifying companies with strong franchises typically underpinned by strong, hard to replicate intangible assets (including brands, networks, licences and patents) and pricing power, resulting in high gross margins. The Investment Adviser also seeks to identify capable management teams able to allocate capital effectively to grow the franchise, maintain the intangible assets and sustain or improve returns on operating capital.

The Fund will limit the use of derivatives to currency forwards for hedging purposes only.

As an essential and integrated part of the investment process, the Investment Adviser assesses relevant factors material to long-term sustainably high returns on operating capital including ESG factors and seeks to engage with company management teams as part of this. Subject to the Fund's investment objective, the Investment Adviser retains discretion over which investments are selected. Whilst ESG considerations are an integrated and fundamental part of the investment process, ESG factors are not the sole determinant

of whether an investment can be made or a holding can remain in the Fund's portfolio, but instead the Investment Adviser considers material risks or opportunities in any of the ESG areas which could threaten or enhance the high returns on operating capital of a company.

The Fund is actively managed and is not designed to track a benchmark. The management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is compared against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Profile of the typical investor

In light of the International Resilience Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

JAPANESE EQUITY FUND

The Japanese Equity Fund's investment objective is to seek long-term capital appreciation, measured in Yen, through investment primarily in the equity securities of companies that meet the Investment Adviser's ESG criteria while integrating ESG characteristics by maintaining higher sustainability scores than the MSCI Japan Index. The Fund will primarily invest in 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 – Investment Powers and Restrictions). The Fund may also invest, on an ancillary basis, in debt securities convertible into common shares, warrants and other equity linked instruments.

The Investment Adviser integrates the consideration of ESG issues in its investment decision-making.

The Investment Adviser applies proprietary assessment and scoring methodologies on the equity securities the Fund may invest in. Additionally as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with companies, the Investment Adviser incorporates an assessment of sustainability-related risks into the assessment process to determine impacts on the value of a security or portfolio. These criteria may include, but are not limited to ESG themes such as climate change, human rights and

diversity, health and safety, governance, and disclosure, which the Investment Adviser considers as “material ESG issues”. The Investment Adviser focuses on engaging company management on health and safety, human resources, misconduct and other factors, subject to specific engagement from each company, based on material ESG issues. Companies are scored based on the expectation for improvement and how the company’s ESG activities may improve corporate value.

The Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will exclude controversy cases that it views as being very severe based on ratings by relevant ESG data providers.

The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers in order to measure and evaluate the contribution of the securities to the ESG themes described above. The indicators will be measured and evaluated at on a quarterly basis.

Investments shall not knowingly include any company involved in the manufacturing or production of:

- tobacco¹⁰;
- gambling¹¹;
- adult entertainment¹²;
- civilian firearms¹³;
- controversial weapons¹⁴; and
- thermal coal¹⁵.

Further to the above, the Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The exclusions are determined by the Investment Adviser’s own proprietary analysis rather than the reliance on third party analysis. However, the analysis may be supported by third party ESG controversies analysis and business involvement research. The exclusion criteria are applied to all equity investments within the Fund. The exclusion criteria are subject to

¹⁰ The Fund does not invest in securities of issuers that generate 5% or more of their revenues from tobacco related products or supplies such as filters.

¹¹ The Fund does not invest in securities of issuers that generate 5% or more of their revenue from gambling activities.

¹² The Fund does not invest in securities of issuers that generate 5% or more of their revenue from adult entertainment.

¹³ The Fund does not invest in securities of issuers that generate 5% or more of their revenues from producing civilian firearms.

¹⁴ The Fund does not invest in securities of issuers that manufacture whole controversial weapons systems including intended use components.

¹⁵ The Fund does not invest in securities of issuers that generate 10% or more of their revenue from thermal coal mining, and/or 10% or more of their revenue from thermal coal power generation.

periodic review and any changes will be reflected in the exclusion policy document. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund references third party ESG data during the security research process, but does not rely on third party ESG data for the purposes of constructing the portfolio. The Investment Adviser relies on its own proprietary analysis for security selection and portfolio construction rather than third party analysis. However, in some cases data on specific issuers or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using reasonable estimates or third-party data.

The Fund is actively managed and is not designed to track a benchmark. The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Japanese Equity Fund’s investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

Dealing Days for the Japanese Equity Fund

Dealing Days for the Japanese Equity Fund take into account dates (i) on which Japan Exchange Group markets are closed for trading and settlement or (ii) the Directors, in consultation with the Investment Adviser, have determined in their absolute discretion. In this Prospectus references to Dealing Day in relation to the Japanese Equity Fund mean any day except: (a) any other day the Directors, in consultation with the Investment Adviser, have determined in their absolute discretion, and (b) any day on which Japan Exchange Group markets and commercial banks in Luxembourg or Japan are authorized by law or executive order to close (including Saturday and Sunday) are closed for trading. The list of expected “non-Dealing Days” will be available on the Company’s website (www.morganstanleyinvestmentfunds.com) and will be updated in advance, at least semi-annually. However,

the list may be further updated from time to time in the presence of exceptional circumstances where the Directors believe that it is in the best interests of the Shareholders of the Fund.

JAPANESE SMALL CAP EQUITY FUND

The Japanese Small Cap Equity Fund's investment objective is to seek long-term capital appreciation, measured in Yen, through investment primarily in equity securities of small-cap companies Located in Japan and which are listed on any exchanges or over the counter markets (subject to Appendix A – Investment Powers and Restrictions). The Fund may also invest, on an ancillary basis, in securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, warrants, and other equity linked instruments.

For the purpose of this Fund, small-cap companies are companies with capitalizations within the range of companies included in the MSCI Japan Small Cap Index. The MSCI Japan Small Cap Index is designed to measure the performance of the small cap segment of the Japanese market. With over 900 constituents the index represents approximately 14% of the free float adjusted market capitalization of the Japanese equity universe. The average market cap of a company in the MSCI Japan Small Cap Index is approximately JPY 100 billion with a median of approximately JPY 60-70 billion (these numbers can fluctuate). Please refer to www.msci.com for the latest information on this index.

The Investment Adviser employs a bottom-up investment approach. The Investment Adviser seeks to exploit market inefficiencies applicable to small cap securities which often have limited sell-side coverage while managing the associated volatility. The Fund will include those securities which the Investment Adviser considers offer higher forecasted total growth potential based upon valuation relative to other opportunities.

The Fund is actively managed and is not designed to track a benchmark, and therefore not constrained by the composition of the MSCI Japan Small Cap Index. The Fund references the MSCI Japan Small Cap Index for the purpose of setting the capitalization range of issuers the Fund will invest in. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Japanese Small Cap Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;

- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

Dealing Days for the Japanese Small Cap Equity Fund

Dealing Days for the Japanese Small Cap Equity Fund take into account dates on which Japan Exchange Group markets are closed for trading and settlement. In this Prospectus references to Dealing Day in relation to the Japanese Small Cap Equity Fund mean any day except any day on which Japan Exchange Group markets and commercial banks in Luxembourg or Japan are authorized by law or executive order to close (including Saturday and Sunday) are closed for trading. The list of expected "non-Dealing Days" will be available on the Company's website (www.morganstanleyinvestmentfunds.com) and will be updated in advance, at least semi-annually. However, the Directors may decide that the day before a day on which Japan Exchange Group markets and commercial banks in Luxembourg or Japan are authorized by law or executive order to close and are closed for trading would also be a "non-Dealing Day", when it is in the best interest of Shareholders.

NEXTGEN EMERGING MARKETS FUND

The NextGen Emerging Markets Fund's investment objective is to seek long-term capital appreciation, measured in Euro, by investing primarily in equity securities of "NextGen" issuers, including depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs)), "NextGen" issuers being defined as 1) issuers Located in emerging market countries, including frontier market countries, which are determined based on classification in the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index, or 2) issuers Located in upcoming developing markets outside the "mainstream" emerging markets, whose capital markets have traditionally been overlooked by foreign investors or are in early stages of capital market and/or economic development. These are countries that are not part of the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index, that the International Monetary Fund, the United Nations or the World Bank generally consider to be less economically mature than developed nations. The Fund may invest in the countries under 2) provided that the markets of these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law.

The countries that fall within 1) or 2) of the definition of "NextGen" issuers above can include, among others, Albania, Algeria, Argentina, Bahrain, Bangladesh, Bolivia, Botswana, Brazil, Bulgaria, Chile, Colombia, Costa Rica, Cote d'Ivoire, Croatia, Czech Republic, Dominican Republic, Ecuador, Egypt, Estonia, Ethiopia, Georgia, Ghana, Greece, Guatemala, Guinea, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Jamaica, Jordan,

Kazakhstan, Kenya, Kuwait, Laos, Latvia, Lebanon, Lithuania, Malaysia, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Namibia, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Poland, Philippines, Qatar, Romania, Russia, Rwanda, Saudi Arabia, Serbia, Senegal, Slovenia, Slovakia, South Africa, Sri Lanka, Tanzania, Trinidad & Tobago, Thailand, Turkey, Turkmenistan, Ukraine, United Arab Emirates, Uganda, Uruguay, Uzbekistan, Vietnam, and Zambia. The countries within the investment universe may change from time to time.

The Fund may also invest on an ancillary basis in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, warrants, and other equity linked instruments. The Fund may invest up to 20% of its net assets in China A-Shares via Stock Connect. Investments in securities listed on exchanges which are not Recognised Exchanges shall be treated as investments in non-listed securities (subject to Appendix A – Investment Powers and Restrictions) until such time as such exchanges are deemed to be Recognised Exchanges.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs which are eligible investments for UCITS under the 2010 Law.

The Investment Adviser integrates the consideration of ESG criteria in its investment decision-making, including in the conduct of due diligence and research, investment valuation, asset selection, portfolio construction, and ongoing investment monitoring and portfolio management. In doing so, the Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or trim a security, commence active dialogue/engagement with company management, or make adjustments to the top-down allocations to geographies, sectors, or asset classes. In implementing its integration of Sustainability Risks, the Investment Adviser may utilize a combination of information sources, including company-disclosed information, non-company disclosed information, and third-party research and data.

ESG criteria are considered by the Investment Adviser during both the investment and research process to select investments which limit exposure to Sustainability Risks. These criteria may include, but are not limited to carbon emissions, resource management, biodiversity, labour management, diversity (for example, board diversity), health & safety, product safety, data privacy & security, executive remuneration, board independence and shareholder rights.

The Investment Adviser believes companies with forward-looking management teams that establish proactive strategies on ESG issues will be better positioned from a business and financial perspective over the long term than companies that do not consider them. The Fund will invest in companies that follow good governance practices and that exhibit strong management of materially important environmental and social factors relative to peers. The Fund will seek to exclude certain companies that are highly exposed to Sustainability Risks, applying a best effort approach to its investment selection in this regard. By applying a best-effort approach, priority is given to the issuers demonstrating an improvement in or good prospects for their ESG practices and performance over time.

The Investment Adviser focuses on engaging company management on what it deems to be materially important governance, environmental and/or social issues facing a company. The application of the above ESG criteria will result in a 20% or more reduction of the investible universe, as defined in the first three paragraphs above. The aim of the Investment Adviser will be to ensure that at least 90% of the Fund's portfolio is subject to the analysis of ESG criteria described above.

Additionally, the Fund seeks to achieve a lower carbon footprint than the MSCI Frontier Emerging Markets Index (based on available third party data).

Investments shall not knowingly include the following:

- (i) companies whose core business is fossil fuels, thermal coal mining extraction, thermal coal-based power generation, adult entertainment or tobacco;
- (ii) companies with more than 5% revenue from Arctic oil and gas, oil sands, and gambling; and
- (iii) companies with any exposure to civilian firearms or controversial weapons.

For the purposes of the above, a core business activity is one that accounts for more than 10% of the relevant company's revenue as classified by MSCI.

The Investment Adviser may, in its discretion, elect to apply additional ESG investment restrictions, including companies that do not meet the exclusionary criteria set forth above, over time that

it believes are consistent with its investment objective. Such additional restrictions will be disclosed as they are implemented in the exclusion policy document, which will be available on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The exclusions are determined using third party data except on rare occasions where the data is proven to be incorrect. The exclusion criteria are applied to all equity investments within the Fund. The exclusion criteria will not be applied to investments in which the Investment Adviser does not have direct control of the underlying holdings, for example collective investment schemes or open-ended ETFs. The exclusion criteria are subject to periodic review and any changes will be reflected in the exclusion policy document. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund references third party ESG data during the security research process, but does not rely on third party ESG data for the purposes of constructing the portfolio. The Investment Adviser relies on its own proprietary analysis for security selection and portfolio construction rather than third party analysis. However, in some cases data on specific issuers or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using reasonable estimates or third-party data.

The Fund is actively managed and references the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index for the purpose of partially defining a geographical allocation of the countries the Fund may invest into. The Investment Adviser has full discretion over the composition of the assets of the Fund. While the Fund will mostly hold assets within the countries referenced in the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index and can invest in securities from such countries in different proportions, it may also hold assets which are not exposed to countries referenced in the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index. Hence, there are no restrictions on the extent to which the Fund's performance may deviate from the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index.

The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the NextGen Emerging Markets Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

PARAMETRIC EMERGING MARKETS FUND

The Parametric Emerging Markets Fund's investment objective is to seek long-term capital appreciation by investing primarily in a diversified portfolio of equity securities of companies which are Located in emerging market countries. Emerging market countries are generally countries not considered to be developed market countries, and therefore not included in the MSCI World Index. The Fund intends to invest primarily in securities of companies located in countries included in the MSCI Emerging Markets Index or the MSCI Frontier Markets Index.

The Fund's primary investments will be limited to depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and Non-Voting Depositary Receipts (NVDRS)), and common and preferred stocks.

The Fund may also invest, on an ancillary basis, in equity securities that do not fall within the Fund's primary investment universe, Fixed Income Securities, warrants on securities, Cash Equivalents and other equity linked securities.

As part of integrating environmental, social and governance ("ESG") factors and sustainability risk into its investment process as well as responding to European legal developments and investor preferences with regard to investing in companies directly involved in the development, production, maintenance or trade of so-called "controversial weapons," the Fund has adopted a policy of excluding such investments from its portfolio. In addition, whilst not pursuing any particular environmental, social or governance objectives, the Fund will exclude investments based on criteria consistent with the UN Global Compact and the Norges Bank exclusion list. A public list of companies included on the Norges Bank exclusion list is available at the following website: <https://www.nbim.no/en/responsibility/exclusion-of-companies/>. In terms of which companies are excluded, the Fund will give consideration to the severity of company behaviour, pervasiveness within and/or materiality to the business, and management's responsiveness to the issues.

In order to qualify as an "Equity Fund" within the meaning of sec. 2, para. 6 of the German Investment Tax Act, at least 51%

of the Fund's Net Asset Value will be invested on an ongoing basis in holdings in equity securities that are authorised for official trading on a stock exchange or included in an organised market.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for the UCITS under the 2010 Law.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange trades and over-the-counter options, futures and other derivatives for efficient portfolio management (including hedging) purposes.

The Fund is actively managed and references the MSCI Emerging Markets Index or the MSCI Frontier Markets Index for the purpose defining a geographical allocation of the countries the Fund will invest into. The Investment Adviser has full discretion over the composition of the assets in the Fund. While the Fund will generally hold assets within the countries referenced in the MSCI Emerging Markets Index or the MSCI Frontier Markets Index, it can invest in such securities from countries in different proportions, and it can hold assets which are not exposed to countries referenced in the MSCI Emerging Markets Index or the MSCI Frontier Markets Index. Hence, there are no restrictions on the extent to which the Fund's performance may deviate from that of the MSCI Emerging Markets Index or the MSCI Frontier Markets Index.

The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Parametric Emerging Markets Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

PARAMETRIC GLOBAL DEFENSIVE EQUITY FUND

The Parametric Global Defensive Equity Fund's investment objective is to provide a defensive equity exposure that is expected

to provide favourable risk adjusted performance relative to the MSCI All Country World Index in USD Net (base). The Fund generates returns through the receipt of option premiums as well as returns on the equity index positions held and Cash Equivalents held. In this regard, the Fund will sell equity index call options in respect of UCITS eligible equity indices which cumulatively will provide an exposure to the markets which are similar to those comprised in the MSCI All Country World Index in USD Net (base) and will sell equity index put options in respect of UCITS eligible equity indices which cumulatively will provide an exposure to the markets which are similar to those comprised in the MSCI All Country World Index in USD Net (base). Thus, the Fund's investment policy is designed to capitalise on volatility risk premium.

The Fund will invest in a base portfolio that is generally comprised of: (i) equity index positions normally comprised of regulated equity index UCITS ETFs; and (ii) Cash Equivalents, which will consist primarily of Fixed Income Securities with a maximum remaining maturity of one year or less. The Fund will generally have an equal exposure to (i) and (ii) (ie. 50% of the Fund's Net Asset Value is intended to be invested in each of (i) and (ii)), however, the base portfolio will be rebalanced periodically where the exposure deviates from the above intended exposure by more than 5% (i.e. where exposure to (i) or (ii) falls below 45% of the Fund's Net Asset Value or above 55% of the Fund's Net Asset Value).

Each such ETF or money market will not charge annual management fees in excess of 3% of its net asset value and will be domiciled in the EEA, the United Kingdom, the United States, Guernsey, Jersey or the Isle of Man.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, fixed income securities, warrants on securities, Cash Equivalents, as well as in regulated equity index ETFs which are alternative investment funds ("AIFs") but which are UCITS eligible and exchange traded equity index futures contracts.

In order to qualify as an "Equity Fund" within the meaning of sec. 2, para. 6 of the German Investment Tax Act, at least 25% of the Fund's Net Asset Value will be invested on an ongoing basis in holdings in equity securities that are authorised for official trading on a stock exchange or included in an organised market.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Investment Adviser does not integrate sustainability risks into its investment decisions as they are not relevant given the investment strategy of the Fund. Further information in respect of the integration of sustainability risks in relation to the Company is included in the section of the Prospectus headed “General information relating to Sustainability Risks integration”.

The Fund will be actively managed and is not designed to track the MSCI All Country World Index in USD Net (base) except to the extent that the ETFs in which the Fund will invest will be selected so as to provide exposure to the markets similar to those comprised in the MSCI All Country World Index in USD Net (base).

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Parametric Global Defensive Fund’s investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

SAUDI EQUITY FUND

The Saudi Equity Fund’s investment objective is to seek long-term capital appreciation and growth, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in equity securities of issuers listed and traded on the main market of the Saudi Stock Exchange, the Tadawul, as well as issuers in the course of an initial public offering (IPO) (including rights issues, and subject to the restrictions stated below). The Fund’s investments in listed shares may include investments in the listed shares of smaller companies (meaning those that have a market value of less than SAR1 billion).

Furthermore, the Fund may invest up to 20% of its net assets in one or more eligible closed-ended Real Estate Investment Trusts (REITs) that are listed on Tadawul, as well as in units of eligible closed-ended REITs being offered in the course of an IPO and which will be listed on Tadawul in due course.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the above requirements, debt securities convertible into common shares, preference shares, Cash Equivalents, warrants and other equity linked instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Saudi Equity Fund’s investment objective it may be appropriate for investors who:

- Seek to invest in equity securities.
- Seek capital appreciation over the long term.
- Accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

Dealing Days and settlements for the Saudi Equity Fund

Dealing Days for the Saudi Equity Fund take into account both the Saudi Arabian trading calendar and Luxembourg trading calendar. In this Prospectus references to Dealing Day in relation to the Saudi Equity Fund means any Monday, Tuesday, Wednesday or Thursday in which both Luxembourg and Saudi Arabian financial markets are open for trading. The Saudi Equity Fund will not be available for dealing on the Dealing Day immediately prior to Saudi extended holidays, for example Eid holidays. In addition, there is no settlement of subscriptions and redemptions for the Saudi Equity Fund on Fridays and settlement of subscriptions and redemptions will take into account U.S. Dollar and Saudi Riyal bank holidays. The list of expected “non-Dealing Days” and settlement holidays will be available on the Company’s website (www.morganstanleyinvestmentfunds.com) and will be updated in advance, at least semi-annually. However, the list may be further updated from time to time in the presence of exceptional circumstances where the Directors believe that it is in the best interests of the Shareholders of the Fund.

SUSTAINABLE ASIA EQUITY FUND

The Sustainable Asia Equity Fund’s investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, through investment primarily in the equity securities of companies domiciled in or exercising the predominant part of their economic activity in Asia, excluding Japan, thereby taking advantage of the dynamic economic growth capabilities of the region. In targeting this investment objective, the Investment Adviser will consider ESG criteria (as detailed below) in order to invest in companies which perform better than their peers on ESG risks (as detailed below) or one or more sustainability themes and are positioned to benefit

from, or contribute to, the sustainable development of the countries in which they operate based on the Investment Adviser's ESG criteria. The application of these ESG criteria should result in a 20% or more reduction of the investible universe.

The Fund may also invest on an ancillary basis in debt securities convertible into common shares, preference shares, debentures, participatory notes, warrants, and to a limited extent the Fund may also invest in collective investment schemes including closed-end funds and the Company's Funds, ETFs and securities not widely traded.

In relation to this Fund, "Sustainable" means that the Investment Adviser integrates the consideration of sustainable themes and ESG criteria in its investment decision-making. The Fund will invest in companies from the Asia excluding Japan region markets that positively contribute to and/or address one or more sustainability themes including but not limited to Responsible Energy Transition; Sustainable Production and Circular Economy; Improved Access, Affordability and Sustainable Economic Growth; Decent Work and Innovation. The Fund will also strive to align with the objectives of the Paris Agreement on climate change. The Fund seeks to achieve a lower carbon footprint than the MSCI All Country Asia ex-Japan Net Index.

The Investment Adviser believes companies with forward-looking management teams that establish proactive strategies on sustainability and ESG issues will be better positioned from a business and financial perspective over the long term than companies that do not consider them. The Fund seeks to invest in companies whose product revenues, policies, initiatives, industry leadership, and/or established targets proactively address one or more of the above sustainability themes. The Investment Adviser will support this stock selection process with research and analysis, including direct company engagements and third-party data.

In addition to investing in companies that follow good governance practices and that exhibit strong management of sustainability factors relative to peers, the Fund will invest in companies in Asia excluding Japan that offer scalable and profitable solutions to address pressing sustainability issues including climate change and environmental/resource management. The Fund will be focused on companies that are positively contributing to the sustainable development of countries in Asia excluding Japan, and will seek to exclude certain companies that are highly exposed to Sustainability Risks. Up to 10% of the Fund's portfolio may consist of assets that are not subject to the sustainability analysis described above.

The Investment Adviser will implement a top-down driven approach to identify investment opportunities across the permissible investment universe, and select companies utilizing the Investment Adviser's fundamental bottom up security selection process. ESG criteria are considered by the Investment Adviser during both the

investment and research process to limit exposure to Sustainability Risks and seek out investment opportunities that are aligned with the sustainability themes identified above. These criteria may include, but are not limited to carbon emissions, water scarcity, waste management, biodiversity, labour management, gender diversity, health & safety, product safety, data privacy & security, executive remuneration, board independence and shareholder rights. The Investment Adviser focuses on engaging company management on what it deems to be materially important environmental and/or social issues facing a company as well as around corporate governance practices.

Investments shall not knowingly include:

- (i) companies whose core business, as defined by 10% of revenues, is thermal coal mining extraction, thermal coal-based power generation, adult entertainment, fossil fuels, tobacco or alcohol;
- (ii) companies with more than 5% revenue from Arctic oil and gas, oil sands, and gambling; and
- (iii) companies with any exposure to civilian firearms or controversial weapons.

The Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The exclusions are determined using third party data except on rare occasions where the data is proven to be incorrect. The exclusions criteria are applied to all equity investments within the Fund based on available data from third parties. The exclusion criteria will not be applied to investments in which the Investment Adviser does not have direct control of the underlying holdings, for example collective investment schemes or open-ended ETFs. The exclusion criteria are subject to periodic review and any changes will be reflected in the exclusion policy document. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund references third party ESG data during the security research process, but does not rely on third party ESG data for the purposes of constructing the portfolio. The Investment Adviser relies on its own proprietary analysis for security selection and portfolio construction rather than third party analysis. However, in some cases data on specific issuers or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using reasonable estimates or third-party data.

The Investment Adviser integrates Sustainability Risks into its investment decision-making process, including in the conduct of due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring and portfolio management. In doing so, the Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate these risks, the Investment Adviser may sell or underweight a security, commence active dialogue/engagement with company management, or make adjustments to the top-down allocations to geographies, sectors, or asset classes. In implementing its integration of Sustainability Risks, the Investment Adviser may utilize a combination of information sources, including company-disclosed information, non-company disclosed information, and third-party research and data.

For the avoidance of doubt, equity securities includes depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), International Depositary Receipts (IDRs) and European Depositary Receipts (EDRs)), and closed-end Real Estate Investment Trusts (REITs). The Fund invests in markets of the Asia, excluding Japan, region, such as China, Hong Kong, India, Malaysia, Singapore, South Korea, Taiwan, Indonesia and Thailand. Additional opportunities are also sought, whenever regulations permit, in any of the emerging markets and frontier markets in Asia including China A-Shares via Stock Connect. The Fund may invest up to 20% of its net assets in China A-Shares via Stock Connect.

The Fund uses MSCI All Country Asia ex-Japan Net Index as a comparator benchmark, which is representative of the Asia ex Japan equities universe. The benchmark is used for performance comparison purposes only and does not integrate environmental or social characteristics.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Sustainable Asia Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";

- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

SUSTAINABLE EMERGING MARKETS EQUITY FUND

The Sustainable Emerging Markets Equity Fund's investment objective is to seek to maximise total return, measured in U.S. Dollars, through investment primarily in emerging market country equity securities. The Fund will principally invest in those Emerging Market (as defined below) countries in which the Company believes that economies are developing strongly and in which the markets are becoming more sophisticated. "Emerging Market" countries, for the purposes of this Fund, are as defined by the MSCI Emerging Markets Net Index, provided that the markets of these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. To achieve its principal investment in Emerging Market countries, the Fund may invest in the securities of companies organized under the laws of, located in or which have a principal office in, Emerging Market countries and may also invest in the securities of companies organized under the laws of, located in or which have a principal office in Developed Market countries (for the purposes of this Fund, as defined by MSCI World Index) where the company's principal securities trading market is in an Emerging Market country, or where, at the time of purchase, 50% of the company's revenue alone or on a consolidated basis is derived from goods produced, sales made or services performed in one or more Emerging Market countries, or where the company has at least 50% of its assets, core business operations and/or employees in Emerging Market countries, or in other equity linked instruments located in Developed Markets but providing exposure to Emerging Markets (for example depositary receipts) ("EM Exposed Securities").

The Fund may invest on an ancillary basis in eligible Frontier Markets equity (meaning those countries that are neither Developed Markets nor Emerging Markets as such terms are defined above for this Fund) or in equity securities not meeting the criteria of the Fund's primary investments. The Fund may also invest on an ancillary basis in units/shares of other collective investment schemes, including the Company's Funds as well as in closed-end funds, China A-Shares via Stock Connect, Fixed Income Securities, debt securities convertible into common shares, preference shares, participatory notes and warrants, in each case to gain exposure to Emerging Markets or Frontier Markets. The Fund may also invest up to 20% of its net assets in China A-Shares via Stock Connect. For temporary defensive purposes, during periods in which the Company believes changes in economic, financial or political conditions make it advisable, the Fund may reduce its holdings in Emerging Market country equity securities to below 50% of the Fund's assets and invest in equity securities in Developed Market countries (whether EM Exposed Securities or not) or in Fixed Income Securities (whether providing exposure to Emerging Markets or Developed Markets).

In relation to this Fund, “Sustainable” means that the Investment Adviser integrates the consideration of ESG criteria and sustainable themes in its investment decision-making.

In targeting its investment objective, the Investment Adviser will consider ESG criteria (as detailed below) in order to invest in companies which (i) perform better than their peers on ESG risks (as detailed below) or on one or more sustainability themes (as detailed below); and (ii) are positioned to benefit from, and/or contribute to, the sustainable development of the countries in which they operate based on the Investment Adviser’s ESG criteria. The application of these ESG criteria should result in a 20% or more reduction of the investible universe as defined in the first two paragraphs above. The aim of the Investment Adviser will be to ensure that at least 90% of the Fund’s portfolio is subject to the sustainability analysis described above.

ESG criteria may include, but are not limited to, ESG risks such as carbon emissions, resource management, waste management, biodiversity, labour management, gender diversity, health & safety, product safety, data privacy & security, executive remuneration, board independence and shareholders rights. Sustainability themes may include, but are not limited to, Responsible Energy Transition; Sustainable Production and Circular Economy; Improved Access, Affordability and Sustainable Economic Growth; Decent Work and Innovation. The Fund seeks to achieve a lower carbon footprint than the MSCI Emerging Markets Net Index in aggregate at the portfolio level. With an increased investment focus on companies that positively contribute to and/or address one or more sustainability themes including climate change, the Fund will strive to align with the objectives of the Paris Agreement.

In terms of investing in companies that perform better than their peers on one or more sustainability themes, the Investment Adviser believes companies with forward-looking management teams that establish proactive strategies on the sustainability and ESG issues as described in this investment policy will be better positioned from a business and financial perspective over the long term than companies that do not consider them. Therefore, the Fund seeks to invest in companies whose product revenues, policies, initiatives, industry leadership, and/or established targets proactively address one or more of the above sustainability themes. The Investment Adviser will support this stock selection process with research and analysis, including direct company engagements and third-party data.

In addition to investing in companies that follow good governance practices and that exhibit strong management of sustainability factors relative to peers, the Fund will invest in companies from Emerging Market countries that offer scalable and profitable solutions to address pressing sustainability issues including climate change and environmental/resource management. In this connection, the Fund will be focused on companies that are positively contributing to the sustainable development of Emerging

Market countries, applying a best effort approach to its investment selection in this regard. By applying a best-effort approach, priority is given to the issuers demonstrating an improvement in or good prospects for their ESG practices and performance over time. The Fund will also seek to exclude companies that are highly exposed to Sustainability Risks.

The Investment Adviser will implement a top-down driven approach to identify investment opportunities across the permissible investment universe, and select companies utilizing the Investment Adviser’s fundamental bottom up security selection process. ESG criteria are considered by the Investment Adviser during both the investment and research process to limit exposure to Sustainability Risks and seek out investment opportunities that are aligned with the sustainability themes identified above. The Investment Adviser focuses on engaging company management on what it deems to be materially important environmental and/or social issues facing a company as well as around corporate governance practices.

Investments shall not knowingly include:

- (i) companies whose core business, as defined by 10% of revenues, is thermal coal mining extraction, thermal coal- based power generation, adult entertainment, fossil fuels, tobacco or alcohol;
- (ii) companies with more than 5% revenue from Arctic oil and gas, oil sands, and gambling; and
- (iii) companies with any exposure to civilian firearms or controversial weapons.

The Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented in the exclusion policy document, which is available on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. The exclusions are determined using third party data except on rare occasions where the data is proven to be incorrect. The exclusions are applied to all equity investments within the Fund based on available data from third parties. The exclusions will not be applied to investments in which the Investment Adviser does not have direct control of the underlying holdings, for example collective investment schemes or open-ended ETFs. The exclusions are subject to periodic review and any changes will be reflected in the exclusion policy document. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund references third party ESG data during the security research process, but does not rely on third party ESG data for the purposes of constructing the portfolio. The Investment Adviser relies on its own proprietary analysis for security selection and

portfolio construction rather than third party analysis. However, in some cases data on specific issuers or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using reasonable estimates or third-party data.

The Investment Adviser integrates Sustainability Risks into its investment decision-making process, including in the conduct of due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring and portfolio management. In doing so, the Investment Adviser gives due consideration to the relevance and potential materiality of Sustainability Risks for a particular investment opportunity or for the portfolio as a whole in the context of the investment objective and intended time horizon for holding a particular security. Sustainability Risks may negatively impact the value of a security or portfolio. In order to mitigate the Sustainability Risks, the Investment Adviser may sell or underweight a security that is subject to such risks, commence active dialogue/engagement with company management, or make adjustments to the top-down allocations to geographies, sectors, or asset classes. In implementing its integration of Sustainability Risks, the Investment Adviser may utilize a combination of information sources, including company-disclosed information, non-company disclosed information, and third-party research and data.

The Fund is actively managed and references the MSCI Emerging Markets Net Index for the purpose of defining a geographical allocation of the countries the Fund will invest into. The Investment Adviser has full discretion over the composition of the assets in the Fund. While the Fund will generally hold assets within the countries referenced in the MSCI Emerging Markets Net Index, it can invest in such securities from countries in different proportions to their allocations under the MSCI Emerging Markets Net Index, and it can hold assets which are not exposed to countries referenced in the MSCI Emerging Markets Net Index. Hence, there are no restrictions on the extent to which the Fund's performance may deviate from the MSCI Emerging Markets Net Index. The MSCI Emerging Markets Net Index is used for performance comparison purposes only and does not integrate environmental or social characteristics.

The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Sustainable Emerging Markets Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

TAILWINDS FUND

The Tailwinds Fund's investment objective is to seek long-term capital appreciation measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of companies Located in the U.S. with capitalizations within the range of companies included in the Russell 1000 Index.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, including equity securities of issuers Located in emerging markets (including China A-Shares via Stock Connect), debt securities convertible into common shares, preference shares, warrants and other equity linked instruments. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures, swaps and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The investment process will emphasize a bottom-up stock selection process seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser typically invests in companies it believes have strategies that are aligned with and support positive environmental or social trends Tailwinds (as defined below). These companies are expected to benefit from sustainability-related business activities in the form of enhanced growth rates, profitability, or competitive advantages. The Investment Adviser will seek to identify companies by, among other things, analyzing the degree to which their revenue and/or

investment spending in the form of capital expenditures is aligned with benefits to people, planet, and systems, as well as create financial value.

The Investment Adviser actively integrates sustainability into the investment process by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long-term. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

The Investment Adviser defines a Tailwind as a business activity or market opportunity that aligns with a sustainability-related benefit to people (such as Economic Empowerment; Health; Access Democratization or Inclusive Communities), planet (such as Resource Efficiency or Downstream Efficiency) or systems (such as Data Security; Effective Institutions; Stakeholder Cultures or Structural Longtermism). Further descriptions of these Tailwinds can be found in Appendix G. At least 50% of the Fund's investments will have a material revenue or capital expenditure alignment (10% or greater) with at least one of the ten Tailwinds above, as identified by Investment Adviser based on available quantitative and qualitative information.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period

to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Tailwinds Fund's investment objective, it may be appropriate for investors who;

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US ADVANTAGE FUND

The US Advantage Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, by investing primarily in securities issued by U.S. companies and on an ancillary basis in securities issued by companies that are not from the U.S.. An issuer may be considered to be from a particular country (including the U.S.) or geographic region if (i) its principal securities trading market is in that country or geographic region; (ii) alone or on a consolidated basis it derives 50% or more of its annual revenue from goods produced, sales made or services performed in that country or geographic region; or (iii) it is organized under the laws of, or has a principal office in, that country or geographic region. By applying these tests, it is possible that a particular issuer could be deemed to be from more than one country or geographic region. Under normal market conditions, the Fund's investment objective will be pursued by investing primarily in equity securities of established large-capitalization companies. The investment process will emphasize a bottom-up stock selection process, seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser typically invests in companies it believes have strong name recognition and sustainable competitive advantages with above average business visibility, the ability to deploy capital at high rates of return, strong balance sheets and an attractive risk/reward.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange

traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also be invested, on an ancillary basis, in equities of companies not meeting the above requirements, debt securities convertible into common shares, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), preference shares, warrants on securities, China A-Shares via Stock Connect, Cash Equivalents and other equity linked securities. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Investment Adviser actively integrates sustainability into the investment process by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark.

The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US Advantage Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US CORE EQUITY FUND

The US Core Equity Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars. The Fund invests primarily in equity securities issued by mid to large capitalization companies, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)) and closed-end Real Estate Investment Trusts (REITs), issued by companies Located in the United States of America.

The investment process uses a combination of quantitative models, to assess market drivers, and fundamental research of individual stocks to identify companies with attractive valuations, above-average appreciation potential and competitive dividend yields.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the above requirements, debt securities convertible into common shares, preference shares, Cash Equivalents, warrants and other equity linked instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund is actively managed and is not designed to track a benchmark. The management of the Fund is not constrained by the composition of any benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the US Core Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US FOCUS PROPERTY FUND

The US Focus Property Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, by investing primarily in a focused, concentrated portfolio of equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of companies in the real estate industry or closely related to the real estate industry Located in the United States that the Investment Adviser considers offer higher forecasted total return potential relative to other opportunities within the above mentioned asset classes.

Companies in the real estate industry or closely related to the real estate industry may include companies principally engaged in the development and/or ownership of income-producing property; companies that operate, construct, finance or sell real estate; companies with substantial real estate related holdings and/or services or products related to the real estate industry, including, but not limited to, real estate management, brokers, building products and property technology; and collective investment vehicles with exposure to property, such as publicly quoted property unit trusts, all types of eligible closed-end Real Estate Investment Trusts (REITs) and undertakings for collective investment.

The Fund may also invest on an ancillary basis in equity securities not meeting the criteria of the Fund's primary investments including but not limited to: preference shares and convertible preferred securities, debt securities convertible into common shares, rights and warrants to purchase equity securities, shares of investment companies, limited partnership interests, and other equity linked instruments.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange

traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Investment Adviser actively manages the Fund using a high-conviction, disciplined, bottom-up, fundamentally driven investment methodology. The Fund will be comprised of those securities which the Investment Adviser considers offer higher forecasted total return potential based upon valuation relative to other opportunities in the investment universe. The Investment Adviser will assess real estate specific factors, broader equity factors, as well as ESG factors in their fundamental analysis in order to calculate appropriate valuation metrics. Top-down considerations are incorporated into the portfolio construction process and seek to achieve exposure across sectors and integrate forecasted fundamental inflections and macroeconomic considerations, among other factors. The Investment Adviser actively selects positions in a limited number of equity securities.

The Investment Adviser actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third-party ESG providers to assess and quantify ESG performance for issuers, supplementing third-party research with proprietary research conducted by the Investment Adviser including utilizing a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. Key ESG topics may include, but are not limited to: energy usage and renewables, water usage, emissions, diversity and gender equality, labour and human rights, employee and tenant health, wellness and safety and company ESG governance and disclosure. In an effort to drive positive change and encourage companies to improve their performance on material ESG issues, the Investment Adviser may approach company management with competitive insights, financially sound business cases and practical solutions to potentially improve their real estate operations. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.

Investments shall not knowingly include any company whose primary business activity in any of the following is more than 10% of company revenue:

- owning or operating real estate used for for-profit prisons;
- owning or operating real estate used to manufacture cannabis;
- manufacturing or production of tobacco;
- manufacturing or production of coal mining;

- manufacturing or production of controversial weapons and civilian firearms; and
- manufacturing or production of arctic oil and gas

Investments shall not knowingly include the following companies:

- companies that have a notable controversy related to their operations and/or products, where the severity of the social or environmental impact of the controversy, is judged by the Investment Adviser;
- companies that fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement; and
- companies that do not have at least one female board member.

The Investment Adviser references third party ESG data and its own proprietary research during the security research process. The Investment Adviser will review controversy cases (such as the exclusions noted above) that it views as being very severe using ratings by relevant ESG data providers and internal research. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US Focus Property Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US GROWTH FUND

The US Growth Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, by investing primarily in securities issued by U.S. companies and on an ancillary

basis in securities issued by companies that are not from the U.S.. An issuer may be considered to be from a particular country (including the US) or geographic region if (i) its principal securities trading market is in that country or geographic region; (ii) alone or on a consolidated basis it derives 50% or more of its annual revenue from goods produced, sales made or services performed in that country or geographic region; or (iii) it is organized under the laws of, or has a principal office in, that country or geographic region. By applying these tests, it is possible that a particular issuer could be deemed to be from more than one country or geographic region. Under normal market conditions, the Fund's investment objective will be pursued by investing primarily in equity securities of high quality growth oriented companies. The investment process will emphasize a bottom-up stock selection process, seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser typically invests in unique companies it believes have sustainable competitive advantages with above average business visibility, the ability to deploy capital at high rates of return, strong balance sheets and an attractive risk/reward. Individual security selection will be emphasized.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis, in equities of companies not meeting the above requirements, debt securities convertible into common shares, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), preference shares, warrants on securities, China A-Shares via Stock Connect, Cash Equivalents and other equity linked securities. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Investment Adviser actively integrates sustainability into the investment process by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US Growth Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US INSIGHT FUND

The US Insight Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, by investing primarily in securities issued by U.S. companies and on an ancillary basis in securities issued by companies that are not from the U.S.. An issuer may be considered to be from a particular country (including the US) or geographic region if (i) its principal securities

trading market is in that country or geographic region; (ii) alone or on a consolidated basis it derives 50% or more of its annual revenue from goods produced, sales made or services performed in that country or geographic region; or (iii) it is organized under the laws of, or has a principal office in, that country or geographic region. By applying these tests, it is possible that a particular issuer could be deemed to be from more than one country or geographic region.

Under normal market conditions, the Fund's investment objective will be pursued by investing primarily in equity securities of established and emerging companies. The investment process will emphasize a bottom-up stock selection process, seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser typically invests in unique companies it believes have sustainable competitive advantages with above average business visibility, the ability to deploy capital at high rates of return, strong balance sheets and an attractive risk/reward. Individual security selection will be emphasized.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis, in equities of companies not meeting the above requirements, debt securities convertible into common shares, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), preference shares, warrants on securities, China A-Shares via Stock Connect, Cash Equivalents and other equity linked securities. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Investment Adviser actively integrates sustainability into the investment process by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US Insight Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US PERMANENCE FUND

The US Permanence Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of established companies located in the U.S., with capitalizations within the range of companies included in the S&P 500 Index.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, China A-Shares via Stock Connect, warrants and other equity linked instruments. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The investment process will emphasize a bottom up stock selection process seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser typically invests in companies it believes have strong name recognition and sustainable competitive advantages with above average business visibility, the ability to deploy capital at high rates of return, strong balance sheets and an attractive risk/reward.

The Fund will make long-term investments in companies that the Investment Adviser believes have qualities of Permanence including durable long-term competitive advantages. The Fund may also invest in more moderate growth companies, companies with lower earnings volatility and/or companies with some cyclicity in their end markets.

The Investment Adviser actively integrates sustainability into the investment process by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;

- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of the S&P 500 Index. The Fund references the S&P 500 Index for the purpose of setting the capitalization range of issuers the Fund will invest in. The Fund's performance is measured against the S&P 500 Index as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US Permanence Funds' investment objective, it may be appropriate for investors who;

- seek to invest in equity securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US PROPERTY FUND

The US Property Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, by investing primarily in equity securities of companies in the real estate industry or closely related to the real estate industry Located in the U.S.. Companies in the real estate industry or closely related to the real estate industry may include companies principally engaged in the development and/or ownership of income-producing property; companies that operate, construct, finance or sell real estate;

companies with substantial real estate related holdings and/or services or products related to the real estate industry, including, but not limited to, real estate management, brokers, building products and property technology; and collective investment vehicles with exposure to property, such as publicly quoted property unit trusts, all types of eligible closed-end Real Estate Investment Trusts (REITS) and undertakings for collective investment.

The investment process utilizes internal proprietary research to invest in public real estate companies that may offer the best relative value relative to their underlying assets and earnings. The Investment Adviser utilizes a bottom-up approach, valuing each security within the investment universe to arrive at an estimate of net asset value and forward cash flows. Real estate specific factors, broader equity factors, and ESG factors are assessed in the fundamental analysis to calculate appropriate valuation metrics.

The Investment Adviser also incorporates a top-down approach in the portfolio construction process by integrating several factors which may include forecasted fundamental inflections and macroeconomic considerations among other factors to achieve diversified exposure across sectors.

The Investment Adviser actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third-party ESG providers to assess and quantify ESG performance for issuers, supplementing third-party research with proprietary research conducted by the Investment Adviser including utilizing a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. Key ESG topics may include, but are not limited to: energy usage and renewables, water usage, emissions, diversity and gender equality, labour and human rights, employee and tenant health, wellness and safety and company ESG governance and disclosure. In an effort to drive positive change and encourage companies to improve their performance on material ESG issues, the Investment Adviser may approach company management with competitive insights, financially sound business cases and practical solutions to potentially improve their real estate operations. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.

Investments shall not knowingly include any company whose primary business activity in any of the following is more than 10% of company revenue:

- owning or operating real estate used for for-profit prisons;

- owning or operating real estate used to manufacture cannabis;
- manufacturing or production of tobacco;
- manufacturing or production of coal mining;
- manufacturing or production of controversial weapons and civilian firearms; and
- manufacturing or production of arctic oil and gas.

Investments shall not knowingly include the following companies:

- companies that have a notable controversy related to their operations and/or products, where the severity of the social or environmental impact of the controversy, is judged by the Investment Adviser;
- companies that fail to comply with the UN Global Compact or the ILO Fundamental Principles, without material remediation and improvement; and
- companies that do not have at least one female board member.

The Investment Adviser references third party ESG data and its own proprietary research during the security research process. The Investment Adviser will review controversy cases (such as the exclusions noted above) that it views as being very severe using ratings by relevant ESG data providers and internal research. However, in some cases data on specific issuers or the exclusions noted above may not be readily available and/or may be estimated by the Investment Adviser using reasonable estimates.

The Fund may also invest, on an ancillary basis, in preference shares, debt securities convertible into common shares, warrants and other equity-linked instruments.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US Property Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";

- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US VALUE FUND¹⁶

The US Value Fund's investment objective is to seek long-term capital growth, by investing in a broadly diversified selection of transferable equity securities, emphasizing common stocks of leading companies the Investment Adviser believes have been systematically mispriced by the market. Value stocks are common stocks that the Investment Adviser believes are inexpensive relative to its estimates of the intrinsic value of the business.

The Fund will invest primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of companies Located in the U.S.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, Fixed Income Securities, warrants on securities, Cash Equivalents and other equity linked securities.

The Investment Adviser of the Fund employs a bottom-up, research-driven and value-oriented approach that seeks to identify pricing anomalies that occur due to fundamental factors that are perceived to be temporary and not permanent. In selecting securities, the Fund focuses mainly on U.S. issuers with attractive

¹⁶ With effect as of 27 December 2023, the investment policy of the Fund will be changed in order to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance. The Fund will then fall within the scope of Article 8 of the SFDR.

Consequently, the fifth and sixth paragraphs will be amended, as follows:

"In addition to the above, in making investment decisions, the Investment Adviser actively integrates sustainability into the investment process by assessing key ESG risks and opportunities in the bottom-up stock selection process, primary by leveraging the extensive proprietary ESG research generated by Calvert Research and Management, a Morgan Stanley affiliate. The Investment Adviser may consider financially material ESG factors as part of the Fund's securities selection process. Such financially material factors comprise sustainability risks or opportunities likely to affect the financial condition or performance of the issuer over a long-term investment horizon and may include, without limitation, business ethics, energy use, energy efficiency and renewable energy, workplace diversity, climate change, data security and workplace safety.

The Investment Adviser believes that corporate governance practices of issuers have a direct impact on business performance and results produced by those issuers and incorporating companies' ESG behaviours into investment decisions provides a more comprehensive, holistic approach to investing that the Investment Adviser believes can enhance both stock selection and risk-adjusted returns over the long term. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio."

In addition, the following paragraphs will be inserted after the sixth paragraph:

"Investments shall not knowingly include any company whose primary business activity in any of the following is more than the below displayed threshold:

- Revenue from Tobacco > 5%
- Revenue from Gambling > 5%
- Revenue from Civilian Firearms > 0%
- Controversial Weapons Tie: None
- Revenue from Coal Mining > 0%
- Revenue from Arctic Drilling > 0%
- Revenue from Nuclear Power > 25%
- White Phosphorus > 0%

Investments shall not knowingly include the following companies:

- Companies that fail to comply with the UN Global Compact, without material remediation and improvement. When a company screens that they have failed to comply, the Investment Adviser will do further due diligence to determine if a path to remediation is in place, or if the company has no plan in place. If no plan is in place, the company will be excluded.

valuations and sound business fundamentals. The Investment Adviser also considers how constructing the portfolio and purchasing or selling an investment impacts the overall portfolio's risk profile (for example, the portfolio's beta relative to its benchmark and each economic sector, its standard deviation of return, its active share and tracking error, as well as how its tracking error is composed on an industry and stock level).

In addition to the above, in making investment decisions, the Investment Adviser will integrate ESG criteria. The Investment Adviser utilizes the extensive proprietary ESG research generated by its affiliate, Calvert, in evaluating investments. The Investment Adviser may consider financially material ESG factors as part of the Fund's securities selection process. Such financially material factors comprise Sustainability Risks or opportunities likely to affect the financial condition or performance of the issuer over a long-term investment horizon and may include, without limitation, business ethics, energy use, energy efficiency and renewable energy, workplace diversity, climate change, data security and workplace safety.

The Investment Adviser believes that corporate governance practices of issuers have a direct impact on business performance and results produced by those issuers and incorporating companies' ESG behaviours into investment decisions provides a more comprehensive, holistic approach to investing that the Investment Adviser believes can enhance both stock selection and risk-adjusted returns over the long term.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the US Value Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;

Investments that are held by the Fund but become restricted under the exclusions listed above after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening that the Investment Adviser sources from third party providers, including UN Global Compact violations, as well as its own engagement with company management and research. The analysis may be supported by third party ESG controversies analysis and business involvement metrics."

Finally, the Taxonomy Regulation disclosure will be amended, as follows:

"The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G."

- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

VITALITY FUND

The Vitality Fund's investment objective is to seek long-term capital appreciation, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of companies Located in the U.S. that are principally engaged in the discovery, development, production, or distribution of products or services related to advances in healthcare. These companies include, but are not limited to, biotechnology, pharmaceuticals, medical equipment and supplies, healthcare technology, healthcare providers and services, and life sciences tools and services.

In relation to this Fund, Vitality means the power to endure and thrive. This reflects the healthcare sector-oriented focus of the Fund and the view of the Investment Adviser that the sector will offer superior opportunity for long-term capital appreciation.

The Fund may also allocate to industries related to the healthcare industry, but are not primarily engaged in the scientific advancement of healthcare. The allocation among these areas will vary depending on the relative potential the Investment Adviser sees within each area and the outlook for the overall healthcare sector.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The investment process will emphasize a bottom up stock selection process seeking attractive investments on an individual company basis. In selecting securities for investment, the Investment Adviser typically invests in unique companies it believes have sustainable competitive advantages, strong research and development and productive new product flow, financial strength, and an attractive risk/reward profile. The Fund generally seeks investments in

companies that are developing new and effective medicines, enabling novel and more efficient research and development efforts, as well as companies whose business models reduce costs or improve quality in healthcare systems.

The Fund will make long-term investments in companies that the Investment Adviser believes have the most durable long-term competitive advantages. The Fund may also invest in more moderate growth companies, companies with lower earnings volatility and/or companies with some cyclicalities in their end markets. The Investment Adviser generally considers selling a portfolio holding when it determines that the holding no longer satisfies its investment criteria.

The Investment Adviser actively integrates sustainability into the investment process by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term. Other aspects of the investment process include a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

Investments shall not knowingly include any company whose primary business activity involves the following:

- tobacco;
- coal; or
- weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). Further to the above, the Investment Adviser may, in its discretion, elect to apply additional investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund is actively managed, not designed to track a benchmark, and therefore not constrained by the composition of a benchmark.

The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G

Profile of the typical investor

In light of the Vitality Fund's investment objective, it may be appropriate for investors who;

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

BOND FUNDS

The various Bond Funds have the following objectives:

CALVERT GLOBAL HIGH YIELD BOND FUND

The Calvert Global High Yield Bond Fund's investment objective is to generate current income and total return, while promoting environmental and social characteristics through a principles-based ESG materiality assessment of investments, a low carbon focus, and sustainable investments.

The Fund will invest primarily in a diversified portfolio of Fixed Income Securities from issuers organised or operating in both developed and emerging markets, which may include zero coupon bonds, deferred interest bonds and bonds on which the interest is payable in the form of additional eligible bonds of the same kind (Payment-in-Kind (PIK) bonds).

The Fund will invest in Fixed Income Securities that are rated lower than "BBB-" by S&P or Fitch's Investors Service, Inc. ("Fitch") or lower than "Baa3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.

In relation to this Fund, the use of "Calvert" in the name refers to Calvert Research and Management ("Calvert"), an indirect, wholly owned subsidiary of Morgan Stanley, whose role in relation to this Fund is limited to the provision of non-discretionary investment advice to the Investment Adviser to assist the Investment Adviser in its management of the Fund. Calvert has no discretion to make or recommend portfolio allocation or construction decisions on behalf of the Fund, such investment discretion being vested solely in the Investment Adviser.

To identify issuers which exhibit sound management of ESG characteristics, the Fund utilises a quantitative and qualitative ESG research process that applies the Calvert Principles for Responsible Investment (the “Calvert Principles”) (the “ESG Research”). In doing so, the Fund promotes environmental sustainability and resource efficiency, equitable societies and respect for human rights, in addition to accountable governance and transparent operations. The Calvert Principles can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im. In relation to its investments in Fixed Income Securities, the Fund seeks to invest only in issuers that promote the Calvert Principles, as described above.

The Investment Adviser and Calvert also seek to engage company management on financially material ESG issues identified through fundamental and ESG research processes. Engagement may seek to drive positive change, to improve the sustainability of each company, and/or to enhance long-term value creation.

The Fund will maintain a lower carbon intensity than the ICE BofA Developed Markets High Yield Ex-Subordinated Financial Index (USD-hedged), while aiming to halve it by 2030, and make sustainable investments in economic activities that address global environmental or societal challenges, in companies that are leaders in managing financially material environmental or social risks and opportunities, or in Sustainable Bonds, while making sure that such investments do not significantly harm any environmental or social objective.

In relation to this Fund, “Sustainable Bonds” are defined as Green, Social or Sustainability Bonds, as labelled in the securities’ documentation, where the issuer commits to allocate the proceeds to projects making a positive environmental or social contribution. This includes, but is not limited to, bonds that align with the International Capital Market Association (ICMA)’s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

Investment restrictions

The Fund will not invest in corporate issuers which:

Derive any revenue from any of the following activities:

- Controversial weapons manufacturing or retail (anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons); or
- Tobacco manufacturing;

Derive more than 5% revenue from the following activities:

- Civilian firearms manufacturing or retail;

Derive more than 10% revenue from the following activities:

- Gambling; or

- Tobacco retail and distribution;

Violate any of the following norm-based exclusions:

- Have experienced very severe ESG-related controversies, including in relation to violations of the UN Global Compact, UN Guiding Principles on Business and Human Rights, the ILO Fundamental Principles, and the OECD Guidelines for Multinational Enterprises.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund’s SFDR Website Disclosure.

The application of the Calvert Principles and the above-listed restrictions consist of the ESG criteria that are expected to result in a reduction in a significantly engaging manner by at least 20% of the Fund’s investment universe, defined as the ICE BofA Developed Markets High Yield Ex-Subordinated Financial Index (USD-hedged). The Investment Adviser will aim to ensure that at least 90% of the Net Asset Value of the Fund’s Fixed Income Securities issuers are assessed through its ESG Research.

The Investment Adviser will monitor selected sustainability indicators for the Fund, including ESG assessments from proprietary research and third-party providers, and carbon intensity (measured as tons of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the sustainability characteristics described above. The indicators will be measured and evaluated at least annually.

Investments that are held by the Fund but subsequently become restricted after they are acquired for the Fund due to the application of the ESG criteria above, will be sold. Such sales will take place over a time period that takes into account the best interests of the Shareholders of the Fund. The Investment Adviser and Calvert may use third-party data and ESG research as part of their analysis, and where data may not be available, will use internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may invest no more than 20% of its assets in debt securities that are not paying current income in anticipation of the receipt of possible future income or capital appreciation which are unrated or categorized as the lowest rated obligations (rated C by Moody’s or D by S&P).

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund’s assets will be invested in such securities.

The Fund may also invest, on an ancillary basis, in Fixed Income Securities not meeting the criteria of the Fund's primary investments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Calvert Global High Yield Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

CALVERT SUSTAINABLE GLOBAL GREEN BOND FUND¹⁷

The Calvert Sustainable Global Green Bond Fund's investment objective is to provide an attractive level of total return, measured

¹⁷ With effect as of 27 December 2023, the investment policy of the Fund will be amended to clarify both the investment restrictions and Calvert's role.

Consequently, the following paragraph will be inserted as a new third paragraph and the current eight paragraph will be deleted:

"In relation to this Fund, the use of "Calvert" in the name refers to Calvert Research and Management ("Calvert"), an indirect, wholly owned subsidiary of Morgan Stanley, whose role in relation to this Fund is limited to the provision of non-discretionary investment advice to the Investment Adviser to assist the Investment Adviser in its management of the Fund. Calvert has no discretion to make or recommend portfolio allocation or construction decisions on behalf of the Fund, such investment discretion being vested solely in the Investment Adviser."

In addition, the current third paragraph will be amended, as follows:

"In relation to this Fund, "Sustainable" means that the Investment Adviser integrates the consideration of sustainability themes and ESG issues in its investment decision-making on a discretionary basis as detailed below. The Investment Adviser and Calvert also seek to engage company management on financially material ESG issues identified through fundamental and ESG research processes. Engagement may seek to drive positive change, to improve the sustainability of each company, and/or to enhance long-term value creation. It may also seek to support positive environmental and social impacts and outcomes, having regard to sustainability themes such as Decarbonisation & Climate Risk, Circular Economy & Waste Reduction, Diverse & Inclusive Business and Decent Work & Resilient Jobs."

Moreover, the fifth, sixth, and seventh paragraphs will be amended, as follows:

"The Investment Adviser utilises Calvert's research in relation to Green Bonds. Calvert employs a

proprietary assessment framework for Green Bonds (which has regard to, where appropriate, recognised green bond guidelines such as the Green Bonds Principles of the International Capital Market Association), through which the robustness, expected impact and transparency of all such instruments in the Fund are evaluated. The Investment Adviser and Calvert may use third-party data and ESG research as part of their analysis, and where data may not be available, will use internal methodologies or reasonable estimates. The methodologies used by different data providers can vary and may result in different evaluations. Details of the Green Bond evaluation methodology and the Calvert Principles for Responsible Investment are available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Fund will invest primarily in Green Bonds (as defined below) including the global securities of corporate, government and government related issuers across a spectrum of fixed income asset classes including, investment-grade bonds, high yield bonds, mortgage-backed securities, asset-backed securities, convertibles and currencies, and subject to applicable law, in other asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised. High yield bonds are considered to be Fixed Income Securities issued by corporations that are rated lower than "BBB-" by S&P or "Baa3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment

proprietary assessment framework for Green Bonds (which has regard to, where appropriate, recognised green bond guidelines such as the Green Bonds Principles of the International Capital Market Association), through which the robustness, expected impact and transparency of all such instruments in the Fund are evaluated. The Investment Adviser and Calvert may use third-party data and ESG research as part of their analysis, and where data may not be available, will use internal methodologies or reasonable estimates. The methodologies used by different data providers can vary and may result in different evaluations. Details of the Green Bond evaluation methodology and the Calvert Principles for Responsible Investment are available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

On an ancillary basis the Fund may invest in securities which are not identified as Green Bonds, provided that Calvert has assessed that the issuer and/or security makes a significant contribution to positive social impacts or outcomes either through the issuer's products and services or through its practices or through the specific projects or investments financed by the bond issue, and provided Calvert has established that the activities of the issuer or projects associated with the bond issue, as applicable, do not result in adverse environmental or social impacts, or cause significant harm in accordance with the SFDR sustainable investment requirements. Such investments may include labelled Social Bonds, with proceeds allocated to projects focussed on positive social outcomes and / or target populations, or labelled Sustainability-linked Bonds with social key performance indicators and targets. Such labelled bonds will also be subject to the Calvert's proprietary assessment framework, as described above. The labels "Green", "Social", "Sustainability" and "Sustainability-Linked" attached to the bonds by their issuers stand for the fact that their frameworks are, in most cases, although not exclusively, aligned with the International Capital Market Association (ICMA) Green/Social/Sustainability-Linked Bond Principles, or Sustainability Bond Guidelines, or principles/guidelines established in other jurisdictions.

The aim of the Investment Adviser will be to ensure that at least 90% of the Fund's assets are assessed with respect to the sustainability themes and ESG issues described above."

Finally, the current tenth, eleventh, and twelfth paragraphs will be amended, as follows:

Investment restrictions

Investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons, including anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons;
- manufacturing or production of civilian firearms, where the company derives >5% revenue from such business activity;
- manufacturing or production of tobacco, or where the company derives >10% revenue from tobacco distribution or retail; or
- gambling, where the company derives >10% revenue from such business activity.

The Fund will also not invest in securities of issuers that have experienced very severe ESG-related controversies, including in relation to violations of the UN Global Compact, UN Guiding Principles on Business and Human Rights, the ILO Fundamental Principles, and the OECD Guidelines for Multinational Enterprises.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure."

Adviser. These investments may include fixed income securities issued in emerging markets.

In relation to this Fund, “Sustainable” means that the Investment Adviser integrates the consideration of sustainability themes and ESG issues in its investment decision-making on a discretionary basis as detailed below. The Investment Adviser may engage company management around corporate governance practices and what it deems to be materially important environmental and/or social issues facing a company. It will also seek to support positive environmental and social impacts and outcomes, having regard to sustainability themes such as Decarbonisation & Climate Risk, Circular Economy & Waste Reduction, Diverse & Inclusive Business and Decent Work & Resilient Jobs.

For the purpose of this Fund, ‘Green Bonds’ include but are not limited to the following instruments:

- Green Use of Proceeds Bonds, with proceeds targeted to environmentally beneficial projects (with or without external Green Bond labelling);
- Sustainability Bonds, with a proportion of the proceeds targeted to environmentally beneficial projects;
- Transition Bonds, with proceeds targeted to transitioning to more environmentally favourable business models;
- Sustainability-linked Bonds, with environmental key performance indicators and targets; and
- Bonds of issuers that seek to provide environmental solutions or that demonstrate environmental sustainability leadership.

The Investment Adviser employs a proprietary assessment framework for Green Bonds (which has regard to, where appropriate, recognised green bond guidelines such as the Green Bonds Principles of the International Capital Market Association), through which the robustness, expected impact and transparency of all such instruments in the Fund are evaluated. The Investment Adviser uses third-party data and ESG research as part of its analysis. Where data may not be available, the Investment Adviser will use internal methodologies or reasonable estimates. The methodologies used by different data providers can vary and may result in different evaluations. Details of the evaluation methodology and Calvert Principles for Responsible Investment is available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

On an ancillary basis the Fund may invest in securities which are not identified by the Investment Adviser as Green Bonds, provided the Investment Adviser has assessed that the issuer and/or security makes a significant contribution to positive social impacts or outcomes either through the issuer’s products and services or through its practices or through the specific projects or investments

financed by the bond issue, and provided the Investment Adviser has established that the activities of the issuer or projects associated with the bond issue, as applicable, do not result in adverse environmental or social impacts, or cause significant harm in accordance with the SFDR sustainable investment requirements. Such investments may include labelled Social Bonds, with proceeds allocated to projects focussed on positive social outcomes and / or target populations, or labelled Sustainability-linked Bonds with social key performance indicators and targets. Such labelled bonds will also be subject to the Investment Adviser’s proprietary assessment framework, as described above. The labels “Green”, “Social”, “Sustainability” and “Sustainability-Linked” attached to the bonds by their issuers stand for the fact that their frameworks are, in most cases, although not exclusively, aligned with the International Capital Market Association (ICMA) Green/Social/Sustainability-Linked Bond Principles, or Sustainability Bond Guidelines, or principles/guidelines established in other jurisdictions.

The aim of the Investment Adviser will be to ensure that at least 90% of the securities in the portfolio are assessed with respect to the sustainability themes and ESG issues described above.

In relation to this Fund, the use of “Calvert” in the name refers to Calvert Research and Management (“Calvert”), whose role in relation to this Fund is limited to the provision of non-discretionary investment advice to the Investment Adviser to assist the Investment Adviser in its management of the Fund. Calvert has no discretion to make discretionary investment decisions on behalf of the Fund, such investment discretion being vested solely in the Investment Adviser.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of derivative instruments such as index futures, contracts for difference (CFDs), TRS, structured notes (including participatory notes), convertible bonds, convertible preferred stocks, options, foreign exchange options, currency forwards and forward contracts and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of:
 - controversial weapons;
 - manufacturing or production of civilian firearms;
 - manufacturing or production of tobacco, or where the company derives >10% revenue from tobacco distribution or retail;

- gambling, where the company derives >10% revenue from such business activity; and
- adult entertainment, where the company derives >10% revenue from such business activity.

The Fund will also not invest in securities of issuers that fail to comply with the UN Global Compact or the ILO Fundamental Principles, and where the Investment Adviser believes appropriate remedial action has not been taken.

Investments that are held by the Fund but subsequently become restricted due to the application of the ESG criteria above, after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

It is not expected that the Fund will invest more than 50% of its net assets in aggregate in securitized instruments. It is not expected that the Fund will invest more than 20% of its net assets in any one type of securitized instrument (e.g., asset-backed securities (ABS), commercial mortgage-backed securities (CMBS), residential mortgage-backed securities (RMBS), agency mortgage-backed securities (MBS)).

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Calvert Sustainable Global Green Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EMERGING MARKETS CORPORATE DEBT FUND

The Emerging Markets Corporate Debt Fund's investment objective is to seek to maximize total return, measured in U.S. Dollars, primarily through investments across the credit spectrum of Fixed Income Securities of corporate issuers, together with investing in Fixed Income Securities of government and government related issuers located in each case in Emerging Markets countries. The Fund intends to invest its assets in Emerging Market countries' Fixed Income Securities that provide a high level of current income, while at the same time holding the potential for capital appreciation.

"Emerging Market" countries, for the purposes of this Fund, are as defined by the JP Morgan Corporate Emerging Markets Bond Index – Broad Diversified, provided that the markets of these countries are considered to be recognized exchanges ("Recognized Exchanges") within the meaning of Article 41(1) of the 2010 Law. As markets in other countries develop, the Fund expects to expand and further diversify the emerging markets in which it primarily invests as such markets are added to this index. To achieve its principal investment in Emerging Market countries, the Fund may invest in Fixed Income Securities of companies organised and located in Emerging Market countries and may also invest in Fixed Income Securities of companies organised and located in Developed Market countries (for the purpose of this Fund, as defined by the JP Morgan Government Bond Index) where the value of the company's securities will reflect principally conditions in an Emerging Market country or where the principal securities trading market for such Emerging Market country, or where 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in Emerging Market countries ("EM Exposed Securities"). Fixed Income Securities held by the Fund will take the form of bonds, notes, bills, debentures, convertible securities, bank debt obligations, short-term paper, mortgage and, subject to applicable law, other asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser's bottom-

up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on

ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may also invest on an ancillary basis in the aforementioned Fixed Income Securities where such securities are issued by issuers organised and located (1) in neither Developed Market countries nor Emerging Market countries; or (2) in Developed Market countries but the securities are not EM Exposed Securities.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 20% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes. The Fund may, on an ancillary basis, invest in other emerging markets Fixed Income Securities and in emerging markets Fixed Income Securities denominated in currencies other than U.S. Dollars.

The Fund may also invest, to a limited extent, in warrants on transferable securities issued by issuers in emerging markets.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund is actively managed and references the JP Morgan Corporate Emerging Markets Bond Index – Broad Diversified for the purpose of defining a geographical allocation of the countries the Fund will invest into. The Investment Adviser has full discretion over the composition of the assets in the Fund. While the Fund will generally hold assets within the countries referenced in the JP Morgan Corporate Emerging Markets Bond Index – Broad Diversified, it can invest in such securities from countries in different proportions, and it can hold assets which are not exposed to countries referenced in the JP Morgan Corporate Emerging Markets Bond Index – Broad Diversified. Hence, there are no restrictions on the extent to which the Fund's performance may deviate from the JP Morgan Corporate Emerging Markets Bond Index – Broad Diversified.

The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Emerging Markets Corporate Debt Fund's investment objective, it may be appropriate for investors who:

- seek to invest in Fixed Income Securities in emerging markets;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EMERGING MARKETS DEBT FUND

The Emerging Markets Debt Fund's investment objective is to seek to maximise total return, measured in U.S. Dollars, primarily through investment in the Fixed Income Securities of government and government-related issuers located in Emerging Market (as defined below) countries (including, to the extent these instruments are securitised, participations in loans between governments and financial institutions), together with investing in the Fixed Income Securities of corporate issuers located in, organised under the laws of, or which have a principal office in, Emerging Market countries. The Fund intends to invest its assets in Emerging Market country Fixed Income Securities that provide a high level of current income, while at the same time holding the potential for capital appreciation.

"Emerging Market" countries, for the purposes of this Fund, are as defined by the JP Morgan Emerging Market Bond Index Global Diversified provided that the markets of these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. As markets in other countries develop, the Fund expects to expand and further diversify the emerging markets in which it primarily invests as or before such markets are added to the JP Morgan Emerging Market Bond Index Global Diversified. Fixed Income Securities held by the Fund will take the form of bonds, notes, bills, debentures, convertible securities, bank debt obligations, short-term paper, mortgage and, subject to applicable law, other asset-backed securities, loan participations and loan assignments (to the extent that these instruments are securitised) and interests issued by entities organised and operated for the purpose of restructuring the investment characteristics of instruments issued by Emerging Market issuers.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on sovereign issuance. Additionally as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as carbon emissions, climate vulnerability, forestry conservation, life expectancy & health, education, living standards, voice & accountability, political stability, effective government, regulatory quality, rule of law, corruption, violence/terrorism. The Investment Adviser will monitor core sustainability indicators, including ESG assessments from third-party providers in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes good governance and social practices among sovereigns. Consequently, the Investment Adviser will not make any new investments in countries where there is evidence of significant social violations. Investments that are held by the Fund but become restricted because they breach the good governance and social practices exclusions, after they are acquired for the Fund, will be sold. Such sales will take place over a period of time to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund. Any

countries exhibiting positive momentum with respect to such violations shall not be subject to the purchase restriction. The Investment Adviser shall disclose the methodology used to evaluate significant social violations on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

To achieve its principal investment in Emerging Market countries, the Fund may invest in the Fixed Income Securities of companies organised under the laws of, located in or which have a principal office in Emerging Market countries and may also invest in the Fixed Income Securities of companies organised under the laws of, located in or which have a principal office in Developed Market countries (for the purpose of this Fund, as defined by JP Morgan Government Bond Index) where the company's principal Fixed Income Securities trading market is in an Emerging Market country, or where 50% of the company's revenue alone or on a consolidated basis is derived from goods produced, sales made or services performed in Emerging Market countries ("EM Exposed Securities").

For investments in such companies specifically, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis in the aforementioned classes of Fixed Income Securities where such Fixed Income Securities are issued by issuers organised under the laws of and located (1) neither in Developed Market countries nor Emerging Market countries; or (2) in Developed Market countries, but where the Fixed Income Securities are not EM Exposed Securities.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 20% of the Fund's assets will be invested in such securities.

The Fund may also invest, to a limited extent, in warrants issued by Emerging Market issuers and in open-ended ETFs provided that any such ETFs are eligible investments for UCITS funds.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and references the JP Morgan Emerging Market Bond Index Global Diversified for the purpose of defining a geographical allocation of the countries the Fund will invest into. The Investment Adviser has full discretion over the composition of the assets in the Fund. While the Fund will generally hold assets within the countries referenced in the JP Morgan Emerging Market Bond Index Global Diversified, it can invest in such securities from countries in different proportions to their allocations under the JP Morgan Emerging Market Bond Index Global Diversified, and it can hold assets which are not exposed to countries referenced in the JP Morgan Emerging Market Bond Index Global Diversified. Hence, there are no

restrictions on the extent to which the Fund's performance may deviate from the JP Morgan Emerging Market Bond Index Global Diversified. The JP Morgan Emerging Market Bond Index Global Diversified is used for performance comparison purposes only and does not integrate environmental or social characteristics.

The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Emerging Markets Debt Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities in Emerging Markets;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EMERGING MARKETS DEBT OPPORTUNITIES FUND

The Emerging Markets Debt Opportunities Fund's investment objective is to generate total return, which is defined as income plus capital appreciation, by establishing long and short investment exposures to Emerging Markets (as defined below) debt pool through currencies, local interest rates, and sovereign and corporate credit, while investing primarily in (i) Fixed Income Securities of corporate, government and government-related issuers Located in Emerging Market countries; and/or (ii) derivative instruments denominated in or based on the currencies, interest rates, or issuers of Emerging Market countries. Fixed Income Securities may include zero coupon bonds, preferred stocks, deferred interest bonds and notes and bonds and notes on which the interest is payable in the form of additional eligible stocks, bonds or notes of the same kind (Payment-in-Kind (PIK) securities).

"Emerging Market" country, for the purposes of this Fund, is any country determined by the Investment Adviser to have an emerging market economy, considering factors such as the country's political and economic stability, and the development of its financial and capital markets. Emerging market countries include so-called frontier market countries. Frontier markets are a sub-category of emerging markets and are generally considered by the Investment Adviser to be countries which are not developed countries and (i) are not included in the J.P. Morgan Emerging Markets Bond (JEMB) Hard Currency/Local Currency 50-50 Index; or (ii)

represent 2% or less of the J.P. Morgan Emerging Markets Bond (JEMB) Hard Currency/Local Currency 50-50 Index, provided that in each case, the markets of these countries are considered to be recognised exchanges within the meaning of Article 41(1) of the 2010 Law. The Fund does not invest in developed countries except for purposes of hedging, gaining exposure to Fixed Income Securities denominated in currencies of emerging market countries and investments (including through derivative instruments) in U.S treasuries and U.S. government and agency securities and agency mortgage-backed securities.

The Fund may have significant investment in a geographic region or country and, subject to the foregoing in this paragraph, there is no limit on the Fund's exposure to any geographic region or country. It is not intended that the Fund will have a particular sector or industry focus.

Fixed Income Securities held by the Fund will take the form of sovereign bonds and debentures, mortgage-backed securities and asset-backed securities, convertible debt securities (which may embed derivatives), contingent convertible instruments, municipal obligations, corporate bonds and debentures, fixed income and floating rate debt securities, loan participations and loan assignments, to the extent that these instruments are securitised, and participation notes.

The Fund may invest in instruments of any credit rating, including those rated below investment grade (rated below BBB- by either S&P or Fitch Ratings, or below Baa by Moody's) or in unrated instruments considered to be of comparable quality by the Investment Adviser.

In evaluating the Fixed Income Securities issued by emerging market corporates and in its engagement with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, currency and duration / local rates, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as carbon emissions, climate vulnerability, forestry conservation, life expectancy & health, education, living standards, voice & accountability, political stability, effective government, regulatory quality, rule of law, corruption, and violence/terrorism. The Investment Adviser will monitor core sustainability indicators, including ESG assessments from third-party providers, in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least annually.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes good governance and social practices among corporate issuers. Consequently, the Investment Adviser will not make any new investments in issuers where there is evidence that the relevant issuer has engaged in significant social violations (being activities which infringe significantly on an individual or a group's rights). Investments that are held by the Fund but become restricted because they breach the good governance and social practices exclusions, after they are acquired for the Fund, will be sold. Such sales will take place over a period of time to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund. Any issuers exhibiting positive momentum with respect to such violations shall not be subject to the purchase restriction. The methodology used by the Investment Adviser to evaluate significant social violations shall be disclosed on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

With respect to investment in Fixed Income Securities issued by corporates, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exceptions to the above coal exclusion are that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices of issuers on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser also promotes good governance and social practices among sovereigns. Consequently, the Investment Adviser will not make any new investments in countries where there is

evidence of significant social violations (being significant failures by the government to ensure that an individual or a group's social rights are protected). However, any existing investments in such countries shall not necessarily need to be sold, and any countries exhibiting positive momentum with respect to such violations shall not be subject to the purchase restriction. The Investment Adviser shall disclose the methodology used to evaluate significant social violations on its website.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Investment Adviser believes that as sustainability issues are sources of long-term risk and return, the integration of sustainability risks as outlined above may assist in enhancing the returns of the Fund over the long term. Further information in respect of the integration of sustainability risks in relation to the Company is included in the section of the Prospectus headed "General information relating to Sustainability Risks integration".

In managing the Fund, the Investment Adviser performs macroeconomic and political research and analysis on individual countries. It considers such factors as a country's political system and environment, fiscal policy, monetary policy, incomes policy (i.e. any government policy that affects corporate or individual earnings in the particular country subject to the policy (such as tax policy, subsidies in particular economic sectors, minimum wage laws, or industry regulations)) and trade policy, among other factors. Based on this research and analysis, the Investment Adviser seeks to identify countries and currencies it believes have potential to outperform investments in other countries and currencies, and to anticipate changes in global economies, markets, political conditions and other factors for this purpose. The Investment Adviser selects and adjusts investments in an effort to take advantage of differences in the perceived values of countries' currencies, interest rates and credit spreads. To implement investment decisions, the Investment Adviser selects an asset class and specific instrument that most optimally and efficiently expresses the Investment Adviser's view of that particular country. The Investment Adviser considers the relative risk/return characteristics

of prospective investments in determining the most efficient means for achieving desired exposures.

The Fund may also invest, on an ancillary basis, in Fixed Income Securities not meeting the criteria of the Fund's primary investments, equity securities, warrants on securities, Cash Equivalents and other equity linked securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Fund may invest no more than 20% of its assets in debt securities that are not paying current income in anticipation of the receipt of possible future income or capital appreciation which are unrated or categorised as the lowest rated obligations (rated C by Moody's or D by S&P).

The Fund may invest no more than 10% of its assets in participation notes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest no more than 20% of its assets in aggregate asset-backed securities (ABS) and/or mortgage-backed securities (MBS).

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund is actively managed and references the J.P. Morgan Emerging Markets Bond (JEMB) Hard Currency/Local Currency 50-50 Index for the purposes of defining a geographical allocation of the countries the Fund will invest into and monitoring error relative to the benchmark. The Investment Adviser has full discretion over the composition of the assets in the Fund. While the Fund will generally hold assets within the countries referenced in the J.P. Morgan Emerging Markets Bond (JEMB) Hard Currency/Local Currency 50-50 Index, it can invest in such securities from countries in different proportions to their allocations under the J.P. Morgan Emerging Markets Bond (JEMB) Hard Currency/Local Currency 50-50 Index, and it can hold assets which are not exposed to countries referenced in the J.P. Morgan Emerging Markets Bond (JEMB) Hard Currency/Local Currency 50-50 Index. Hence, there

are no restrictions on the extent to which the Fund's performance may deviate from the J.P. Morgan Emerging Markets Bond (JEMB) Hard Currency/Local Currency 50-50 Index.

The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Emerging Markets Debt Opportunities Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EMERGING MARKETS DOMESTIC DEBT FUND

The Emerging Markets Domestic Debt Fund's investment objective is to seek to maximise total return, measured in U.S. Dollars, primarily through investment in a portfolio of Emerging Market bonds and other Emerging Market (as defined below) Fixed Income Securities, denominated in the local currency of issue. The Fund intends to invest its assets in Emerging Market Fixed Income Securities that provide a high level of current income, while at the same time holding the potential for capital appreciation.

"Emerging Market" countries, for the purposes of this Fund, are as defined by the JP Morgan Government Bond Index – Emerging Markets Global Diversified, provided that the markets of these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. As emerging markets in other countries develop, the Fund expects to expand and further diversify the emerging markets in which it primarily invests as or before such markets are added to the JP Morgan Government Bond Index – Emerging Markets Global Diversified.

To achieve its principal investment in Emerging Market countries, the Fund may invest in Fixed Income Securities of government and government-related issuers located in Emerging Markets countries (including, to the extent these instruments are securitised, participations in loans between governments and financial institutions) and Fixed Income Securities of corporate issuers located in, organised under the laws of, or which have a principal

office in, Emerging Market countries, denominated in the local currency of issue (“EM Exposed Securities”).

The Fund may invest in Fixed Income Securities of entities organised to restructure outstanding debt of Emerging Market issuers.

Fixed Income Securities held by the Fund will take the form of bonds, notes, bills, debentures, convertible securities, bank debt obligations, short-term paper, mortgage and, subject to applicable law, other asset-backed securities, loan participations and loan assignments to the extent that these instruments are securitised.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on sovereign issuance. Additionally as part of the Investment Adviser’s bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as carbon emissions, climate vulnerability, forestry conservation, life expectancy & health, education, living standards, voice & accountability, political stability, effective government, regulatory quality, rule of law, corruption, violence/terrorism. The Investment Adviser will monitor core sustainability indicators, including ESG assessments from third-party providers in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes good governance and social practices among sovereigns. Consequently, the Investment Adviser will not make any new investments in countries where there is evidence of significant social violations. Investments that are held by the Fund but become restricted because they breach the good governance and social practices exclusions, after they are acquired for the Fund, will be sold. Such sales will take place over a period of time to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund. Any countries exhibiting positive momentum with respect to such violations shall not be subject to the purchase restriction. The Investment Adviser shall disclose the methodology used to evaluate significant social violations on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

For investments in corporate issuers specifically, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund’s SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives

for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis in the aforementioned classes of Fixed Income Securities where such securities are issued by issuers organised under the laws of and located (1) neither in Developed Market (for the purposes of this Fund, as defined by the JP Morgan Government Bond Index – Emerging Markets Global Diversified) countries nor Emerging Market countries; or (2) in Developed Market countries, but where the Fixed Income Securities are not EM Exposed Securities.

In addition, the Fund may invest on an ancillary basis in Fixed Income Securities which are not denominated in the local currency of issue, provided that for temporary defensive purposes, during periods in which the Company believes changes in economic, financial or political conditions make it advisable, the Fund may reduce its holdings denominated in the local Emerging Market currency of issue to below 50% of the Fund's assets and invest in eligible Fixed Income Securities denominated in the currencies of Developed Market countries.

The Fund may also invest, to a limited extent, in warrants on transferable securities issued by issuers in Emerging Market countries and in open-ended ETFs provided that any such ETFs are eligible investments for UCITS funds.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 20% of the Fund's assets will be invested in such securities.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and references the JP Morgan Government Bond Index – Emerging Markets Global Diversified for the purpose of defining a geographical allocation of the countries the Fund will invest into. The Investment Adviser has full discretion over the composition of the assets in the Fund. While the Fund will generally hold assets within the countries referenced in the JP Morgan Government Bond Index – Emerging Markets Global Diversified, it can invest in such securities from countries in different proportions to their allocations under the JP Morgan Government Bond Index – Emerging Markets Global Diversified, and it can hold assets which are not exposed to countries referenced in the JP Morgan Government Bond Index – Emerging Markets Global Diversified. Hence, there are no restrictions on the extent to which the Fund's performance may deviate from the JP Morgan

Government Bond Index – Emerging Markets Global Diversified. The JP Morgan Government Bond Index – Emerging Markets Global Diversified is used for performance comparison purposes only and does not integrate environmental or social characteristics.

The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Emerging Markets Domestic Debt Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities in Emerging Markets;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors", specifically the risks relating to Emerging Markets and in particular Fixed Income Securities denominated in the currency of the countries of investment.

EMERGING MARKETS FIXED INCOME OPPORTUNITIES FUND

The Emerging Markets Fixed Income Opportunities Fund's investment objective is to seek to maximise total return, measured in U.S. Dollars, primarily through investment in the Fixed Income Securities of issuers located in Emerging Market Countries or issues denominated in the currencies of Emerging Market Countries. The Fund intends to invest its assets in Emerging Market countries' Fixed Income Securities that provide a high level of current income, while at the same time holding the potential for capital appreciation.

"Emerging Market" countries, for the purposes of this Fund, are any countries included in JP Morgan Emerging Markets Blended Index – Equally Weighted which is an equally weighted index of JP Morgan Emerging Market Bond Index Global Diversified, JP Morgan Corporate Emerging Market Bond Index Broad Diversified and JP Morgan Government Bond Index – Emerging Markets Global Diversified Index, provided that the markets of these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. For the avoidance of doubt, an investment in an issue included in this index will constitute an investment within the primary investment strategy of the Fund. As markets in other countries develop, the Fund expects to expand and further diversify the

emerging markets in which it primarily invests as such markets are added to this index.

To achieve its principal investment in Emerging Market countries, the Fund may also invest in the Fixed Income Securities of companies organised and located in Developed Market countries (for the purpose of this Fund, as defined by the JP Morgan Government Bond Index) where the value of the company's securities will reflect principally conditions in an Emerging Market country or where the principal securities trading market for such is in an Emerging Market country, or where 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in Emerging Market countries ("EM Exposed Securities").

The Fund may invest in Fixed Income Securities of issuers organised to restructure outstanding debt of Emerging Market issuers.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms

manufacturing. Accordingly investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exceptions to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may invest on an ancillary basis in Fixed Income Securities issued by issuers organised and located (1) in neither Developed Market countries nor Emerging Market countries; or (2) in Developed Market countries but the securities are not EM Exposed Securities.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 20% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and references the JP Morgan Emerging Markets Blended Index – Equally Weighted for the purpose of defining a geographical allocation of the countries the Fund will invest into. The Investment Adviser has full discretion over the composition of the assets in the Fund. While the Fund will generally hold assets within the countries referenced in the JP Morgan Emerging Markets Blended Index – Equally Weighted, it can invest in such securities from countries in different proportions, and it can hold assets which are not exposed to countries referenced in the JP Morgan Emerging Markets Blended Index – Equally Weighted. Hence, there are no restrictions on the extent to which the Fund's performance may deviate from the JP Morgan Emerging Markets Blended Index – Equally Weighted.

The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Emerging Markets Fixed Income Opportunities Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;

- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EMERGING MARKETS LOCAL INCOME FUND

The Emerging Markets Local Income Fund's investment objective is to generate total return, which is defined as income plus capital appreciation, by establishing a locally denominated Emerging Markets (as defined below) debt pool through currencies and interest rates, while investing primarily in: (i) Fixed Income Securities of corporate, government and government related issuers Located in Emerging Market countries or denominated in currencies of Emerging Markets countries and/or (ii) derivative instruments, denominated in or based on the currencies, interest rates, or issues of, Emerging Market countries.

For the purposes of this Fund, "Emerging Markets" countries are defined to include any country that did not become a member of the OECD prior to 1975 and Turkey. Emerging market countries include so-called frontier market countries, which generally are considered by the Investment Adviser to be less developed countries that: (i) are not included in the J.P. Morgan Government Bond Index: Emerging Market (JPM GBI-EM) Global Diversified; or (ii) represent 2% or less of the J.P. Morgan Government Bond Index: Emerging Market (JPM GBI-EM) Global Diversified.

The Fund may have significant investment in a geographic region or country. It is not intended that the Fund will have a particular sector or industry focus.

Fixed Income Securities held by the Fund will take the form of sovereign bonds and debentures, mortgage-backed securities and asset-backed securities, convertible debt securities, municipal obligations, corporate bonds and debentures, fixed-income and floating rate debt securities and, to a limited extent, participation notes. Fixed Income Securities may include zero coupon bonds, preferred stocks, deferred interest bonds and notes and bonds and notes on which the interest is payable in the form of additional eligible stocks, bonds or notes of the same kind ("Payment-in-Kind (PIK) securities").

The Fund may invest in instruments of any credit rating, including those rated below investment grade (rated below BBB- by either S&P or Fitch Ratings, or below Baa by Moody's) or in unrated instrument considered to be of comparable quality by the Investment Adviser.

The investment process and strategy seeks to identify local emerging markets and their currencies that will outperform on a relative basis other comparable emerging markets and their

currencies. The principal risk factors in analysing emerging markets debt are credit, duration, foreign exchange, and sustainability risk. Any or all of these factors may be identified as having the potential to contribute to outperformance. Therefore, in some cases, the Investment Adviser will take the view that a country's currency will appreciate and will seek to obtain exposure to that currency through the derivative instruments referenced above or investment in the securities denominated in such currency.

In evaluating the Fixed Income Securities issued by emerging market corporates and in its engagement with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, currency and duration / local rates, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to environmental, social and governance (“ESG”) themes such as carbon emissions, climate vulnerability, forestry conservation, life expectancy & health, education, living standards, voice & accountability, political stability, effective government, regulatory quality, rule of law, corruption, and violence/terrorism. The Investment Adviser will monitor core sustainability indicators, including ESG assessments from third-party providers, in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least annually.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes good governance and social practices among corporate issuers. Consequently, the Investment Adviser will not make any new investments in issuers where there is evidence that the relevant issuer has engaged in significant social violations (being activities which infringe significantly on an individual or a group's rights). Investments that are held by the Fund but become restricted because they breach the good governance and social practices exclusions, after they are acquired for the Fund, will be sold. Such sales will take place over a period of time to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund. Any issuers exhibiting positive momentum with respect to such violations shall not be subject to the purchase restriction. The methodology used by the Investment Adviser to evaluate significant social violations shall be disclosed on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

With respect to investment in Fixed Income Securities issued by corporates, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion are that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices of issuers on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser also promotes good governance and social practices among sovereigns. Consequently, the Investment Adviser will not make any new investments in countries where there is evidence of significant social violations (being significant failures by the government to ensure that an individual or a group's social rights are protected). However, any existing investments in such countries shall not necessarily need to be sold, and any countries exhibiting positive momentum with respect to such violations shall not be subject to the purchase restriction. The Investment Adviser shall disclose the methodology used to evaluate significant social violations on its website.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser,

taking into account the best interests of the Shareholders. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Investment Adviser believes that as sustainability issues are sources of long-term risk and return, the integration of sustainability risks as outlined above may assist in enhancing the returns of the Fund over the long term. Further information in respect of the integration of sustainability risks in relation to the Company is included in the section of the Prospectus headed “General information relating to Sustainability Risks integration”.

In managing the Fund, the Investment Adviser performs macroeconomic and political research and analysis on individual countries. It considers such factors as a country’s political system and environment, fiscal policy, monetary policy, incomes policy (i.e. any government policy that affects corporate or individual earnings in the particular country subject to the policy (such as tax policy, subsidies in particular economic sectors, minimum wage laws, or industry regulations)) and trade policy, among other factors. Based on this research and analysis, the Investment Adviser seeks to identify countries and currencies it believes have potential to outperform investments in other countries and currencies, and to anticipate changes in global economies, markets, political conditions and other factors for this purpose. The Investment Adviser selects and adjusts investments in an effort to take advantage of differences in the perceived values of countries’ currencies, interest rates and credit spreads. To implement investment decisions, the Investment Adviser selects an asset class and specific instrument that most optimally and efficiently expresses the Investment Adviser’s view of that particular country. The Investment Adviser considers the relative risk/return characteristics of prospective investments in determining the most efficient means for achieving desired exposures.

The Fund may invest no more than 20% of its assets in debt securities that are not paying current income in anticipation of the receipt of possible future income or capital appreciation which are unrated or categorised as the lowest rated obligations (rated C by Moody’s or D by S&P).

The Fund may invest no more than 20% of its assets in aggregate in asset-backed securities (ABS) and/or mortgage-backed securities (MBS).

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Fund may also invest, on an ancillary basis, in Fixed Income Securities not meeting the criteria of the Fund’s primary investments, equity securities, warrants on securities, Cash Equivalents and other equity linked securities.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund is actively managed and references the J.P. Morgan Government Bond Index: Emerging Market (JPM GBI-EM) Global Diversified for the purposes of defining a geographical allocation of the countries the Fund will invest into and monitoring error relative to the benchmark. The Investment Adviser has full discretion over the composition of the assets in the Fund. While the Fund will generally hold assets within the countries referenced in the J.P. Morgan Government Bond Index: Emerging Market (JPM GBI-EM) Global Diversified, it can invest in such securities from countries in different proportions to their allocations under the J.P. Morgan Government Bond Index: Emerging Market (JPM GBI-EM) Global Diversified, and it can hold assets which are not exposed to countries referenced in the J.P. Morgan Government Bond Index: Emerging Market (JPM GBI-EM) Global Diversified. Hence, there are no restrictions on the extent to which the Fund’s performance may deviate from the J.P. Morgan Government Bond Index: Emerging Market (JPM GBI-EM) Global Diversified.

The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Emerging Markets Local Income Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;

- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

EURO BOND FUND

The Euro Bond Fund’s investment objective is to provide an attractive rate of relative return, measured in Euro.

The Fund will invest primarily in Euro denominated Fixed Income Securities whether issued by corporations, governments or government guaranteed issuers. With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund will not invest in any securities that are rated below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities) by S&P or an equivalent rating from another rating agency or an equivalent internal rating from the Investment Adviser as at the date of investment. In the event that any securities held by the Fund are subsequently downgraded to a rating below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities), the Investment Adviser may maintain a maximum total exposure of 3% of the Fund’s Net Asset Value to such downgraded securities but will divest any such security that has not been upgraded to a rating of at least B- within six months of its downgrade.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser’s bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund’s SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted

above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest to a limited extent in open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Euro Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EURO CORPORATE BOND FUND

The Euro Corporate Bond Fund's investment objective is to provide an attractive rate of relative return, measured in Euro.

The Fund will invest primarily in Euro denominated Fixed Income Securities, issued by corporations and other non-government related issuers ("Corporate Bonds"). With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund will not invest in any securities that are rated below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities) by S&P or an equivalent rating from another rating agency or an equivalent internal rating from the Investment Adviser as at the date of investment. In the event that any securities held by the Fund are subsequently downgraded to a rating below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities), the Investment Adviser may maintain a maximum total exposure of 3% of the Fund's Net Asset Value to such downgraded securities but will divest any such security that has not been upgraded to a rating of at least B- within six months of its downgrade.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and

- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may, on an ancillary basis, invest in:

- Non-Euro denominated Fixed Income Securities. In accordance with Appendix A "Investment Powers and Restrictions" non-Euro currency exposure may be hedged back to the Euro.
- Fixed Income Securities that are not Corporate Bonds.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Euro Corporate Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EURO CORPORATE BOND – DURATION HEDGED FUND

The Euro Corporate Bond – Duration Hedged Fund's investment objective is to provide an attractive rate of return, measured in Euro, while seeking to reduce the Fund's exposure to market interest rate movements.

Duration is a measure of the sensitivity of the price of a debt security to changes in interest rates. Duration risk is the risk that an investment's value will change due to changes in interest rates. The value of debt securities will generally increase when interest rates fall and decrease when interest rates rise. The Fund seeks to reduce its exposure to market interest rate movements by hedging the duration of the Fund.

The Fund will invest primarily in high quality issues of Euro denominated Fixed Income Securities, issued by corporations and other non-government related issuers (“Corporate Bonds”).

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser’s bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO2 equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the

Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund’s SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Securities will be deemed to be high quality if at the time of purchase they are rated either “BBB-” or better by S&P or “Baa3” or better by Moody’s or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to hold such securities that are downgraded after purchase but it will not hold securitised bonds downgraded below “BBB-” by S&P or “Baa3” by Moody’s and/or other securities downgraded below “B-” by S&P or “B3” by Moody’s, or, in each case, a similar rating by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may not make additional purchases of securities that are downgraded.

The Fund may, on an ancillary basis, invest in:

- Corporate Bonds which at the time of purchase are rated either lower than “BBB-” by S&P or “Baa3” by Moody’s or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.
- Non-Euro denominated Fixed Income Securities. In accordance with Appendix A “Investment Powers and Restrictions” non-Euro currency exposure may be hedged back to the Euro.
- Fixed Income Securities that are not Corporate Bonds.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest no more than 20% of its assets in mortgage-backed securities or assets backed securities.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund’s assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and the composition of the portfolio holdings is not constrained by any benchmarks.

Taxonomy Regulation disclosure

The Fund’s sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Euro Corporate Bond – Duration Hedged Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;

- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

EURO STRATEGIC BOND FUND

The Euro Strategic Bond Fund’s investment objective is to provide an attractive rate of relative return, measured in Euro.

The Fund will invest primarily in issues of Euro denominated Fixed Income Securities whether issued by corporations, government or government guaranteed issuers, and subject to applicable law, in asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser’s bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;

- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in non-Euro denominated Fixed Income Securities. In accordance with

Appendix A "Investment Powers and Restrictions" non-Euro currency exposure may be hedged back to the Euro.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Euro Strategic Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EUROPEAN FIXED INCOME OPPORTUNITIES FUND

The European Fixed Income Opportunities Fund's investment objective is to provide an attractive level of total return, measured in Euro, through the selection of Euro-denominated Fixed Income Securities. The Fund will seek to achieve the investment policy through allocation across fixed income asset classes as well as through market and instrument selection.

The Fund will invest primarily in Euro-denominated Fixed Income Securities of corporate, government and government related issuers across a spectrum of fixed income asset classes including investment-grade bonds, high-yield bonds, mortgage-backed securities, convertibles and currencies and subject to applicable law, in other asset-backed securities as well as loan participations and loan assignments to the extent that these instruments are securitised. High yield bonds are considered to be Fixed Income Securities issued by corporations that are rated lower than “BBB-” by S&P or “Baa3” by Moody’s or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Investment Adviser may invest in any combination of two or more of the above asset classes.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser’s bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;

- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund’s SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may also invest, on an ancillary basis, in Fixed Income Securities that are not denominated in Euro, emerging markets Fixed Income Securities and additional securities including but not limited to debt securities convertible into common shares, Cash Equivalents, equity or other equity linked securities.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund’s assets will be invested in such securities.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange-traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and the composition of the portfolio holdings is not constrained by any benchmarks.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the European Fixed Income Opportunities Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EUROPEAN HIGH YIELD BOND FUND

The European High Yield Bond Fund's investment objective is to provide an attractive rate of return, measured in Euro, through investments worldwide primarily in lower rated and unrated Fixed Income Securities issued by governments, agencies and corporations that offer a yield above that generally available on the Fixed Income Securities in the four highest rating categories of S&P or Moody's denominated in European currencies. These investments may include Fixed Income Securities issued by non-European issuers and such securities issued in emerging markets and, subject to

applicable law, asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms; and
- manufacturing or production of tobacco.

With respect to fossil fuel activities specifically, the Investment Adviser may engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company. Investments shall not knowingly include any company whose business activity involves the mining and extraction of thermal coal, where the company derives >5% revenue from such business activity.

The exception to the above is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Fund may invest in issuers who may not themselves contribute to the specific environmental or social characteristics promoted by the financial product such as hedging instruments.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may, on an ancillary basis, invest in non-European currency denominated Fixed Income Securities. In order to optimize European currency exposure, the non-Euro currency exposure may be hedged back to the Euro and the Fund may, on an ancillary basis, use derivatives contracts to create synthetic European currency high yield Fixed Income Securities within the limits set forth in Appendix A – Investment Powers and Restrictions.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the European High Yield Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

FLOATING RATE ABS FUND

The Floating Rate ABS Fund's investment objective is to generate an attractive return, whilst minimising exposure to changes in interest rates through investments in a portfolio of floating rate asset-backed securities ("ABS"), measured in Euro.

The Fund will invest primarily in floating-rate Fixed Income Securities with a duration of less than two years that are mortgage-backed securities, commercial mortgage-backed securities, collateralized mortgage obligations, covered bonds that are covered by mortgages including uniform mortgage-backed securities and other ABS rated investment-grade by an internationally recognised rating agency, securities determined to be of similar creditworthiness by the Investment Adviser, or securities backed by the United States of America. Floating-rate securities are defined as securities that are benchmarked to a floating-rate index. The Fund will maintain an average duration between 0 – 1 year.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the

Fund will invest in. Additionally, as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, lenders and servicers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Fund promotes sustainable and responsible business practices by issuers of securitisations. In order to do this, the Fund shall not knowingly purchase any securitisation where the Investment Adviser has perceived any of the following which are directly related to the issuer of a securitisation:

- predatory lending practices;
- breaches in compliance of standards of the Consumer Financial Protection Bureau (CFPB);
- severe malpractice in payment collection processes and foreclosure practices; and
- fraudulent behaviour.

The Investment Adviser uses third-party data and in some cases data on specific issuers. ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates, using best efforts and in good faith. The methodologies used by different data providers may also vary and may result in different scores.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures, swaps, options on swaps (swaptions) and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in Fixed Income Securities not meeting the above requirements.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Floating Rate ABS Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the short term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL ASSET BACKED SECURITIES FOCUSED FUND

The Global Asset Backed Securities Focused Fund's investment objective is to provide an attractive rate of total return, measured in USD.

The Fund will invest primarily in Fixed Income Securities including mortgage-backed securities, commercial mortgage-backed securities, collateralized mortgage obligations, covered bonds that are backed by mortgages, and other asset-backed securities ("Mortgage-Backed Securities"). Among these, the Fund will invest no more than 75% of its assets in non-agency residential mortgage-backed securities (RMBS) and a maximum of 5% of its assets in distressed securities at the time of purchase. The Fund may invest in tranches of securitisations of non-performing loans.

At least 65% of the Fund's assets will be invested in securities rated investment-grade by an internationally recognized statistical rating organization ("NRSRO"), securities determined to be of similar creditworthiness by the Investment Adviser, or securities backed by the United States of America. The Fund will invest no more than 35% of its assets in securities that are unrated or rated lower than BBB- by an NRSRO or determined to be of similar creditworthiness by the Investment Adviser. The Fund will invest no more than 15% of its assets in unrated securities.

In the event that following their purchase, certain securities held by the Fund are downgraded in such a way that the Fund's aggregated investments in securities that are unrated and/or rated below BBB- by an NRSRO or similar creditworthiness as determined by the Investment Adviser would exceed 35% of the Fund's Net Asset Value, the Investment Adviser will divest any security to comply with this 35% limit within six (6) months of the downgrades.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund will invest in. Additionally, as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, lenders and servicers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities.

The Fund promotes sustainable and responsible business practices by issuers of securitisations. In order to do this, the Fund shall not knowingly purchase any securitisation where the Investment Adviser has perceived any of the following which are directly related to the issuer of a securitisation:

- predatory lending practices;
- breaches in compliance of standards of the Consumer Financial Protection Bureau (CFPB);
- severe malpractice in payment collection processes and foreclosure practices; and
- fraudulent behaviour.

In addition, the Fund shall not knowingly purchase any Mortgage-Backed Securities, as defined above, or any other asset backed securities deemed to have negative sustainability characteristics, based on the Investment Adviser's proprietary Securitised Environmental, Social, and Governance (ESG) scoring framework, and will seek to make allocations to securitisations with positive environmental or social characteristics, such as, but not limited to, certified energy efficient buildings, affordable housing lending or access to credit for underserved social groups.

The Fund also makes a proportion of allocations to Green, Social or Sustainability securitised bonds ("Sustainable Securitisations"), as labelled in the securities' documentation, where the issuer commits to allocate the proceeds to projects making a positive environmental or social contribution. This includes, but is not limited to, securitisations that align with the International Capital Market Association (ICMA)'s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines. The Investment Adviser also deploys a proprietary assessment framework for Sustainable Securitisations through which the robustness, expected

impact and transparency of such instruments in the Fund are evaluated.

The Investment Adviser uses third-party data and in some cases data on specific issuers. ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates, using best efforts and in good faith. The methodologies used by different data providers may also vary and may result in different scores.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

In relation to this Fund, the use of "Focused" in the name refers to the reduced investment universe of the Fund following the application of the above ESG criteria.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures, swaps, options on swaps (swaptions) and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in Fixed Income Securities not meeting the criteria of the Fund's primary investments.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds. The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's key investor information document.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Asset Backed Securities Focused Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

GLOBAL ASSET BACKED SECURITIES FUND

The Global Asset Backed Securities Fund’s investment objective is to provide an attractive rate of total return, measured in USD.

The Fund will invest primarily in Fixed Income Securities that are mortgage-backed securities, commercial mortgage-backed securities, collateralized mortgage obligations and covered bonds that are covered by mortgages including uniform mortgage-backed securities (“Mortgage-Backed Securities”). At least 50% of the Fund’s assets will be invested in securities rated investment-grade by an internationally recognised rating agency, securities determined to be of similar creditworthiness by the Investment Adviser, or securities backed by the United States of America.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund will invest in. Additionally, as part of the Investment Adviser’s bottom-up, fundamental research process, and in its engagements with issuers, lenders and servicers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Fund promotes sustainable and responsible business practices by issuers of securitisations. In order to do this, the Fund shall not knowingly purchase any securitisation where the Investment Adviser has perceived any of the following which are directly related to the issuer of a securitisation:

- predatory lending practices;
- breaches in compliance of standards of the Consumer Financial Protection Bureau (CFPB);
- severe malpractice in payment collection processes and foreclosure practices; and
- fraudulent behaviour.

The Investment Adviser uses third-party data and in some cases data on specific issuers. ESG themes or the exclusions noted above

may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates, using best efforts and in good faith. The methodologies used by different data providers may also vary and may result in different scores.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund’s SFDR Website Disclosure.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures, swaps, options on swaps (swaptions) and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in Fixed Income Securities that are not Mortgage-Backed Securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Asset Backed Securities Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

GLOBAL BOND FUND

The Global Bond Fund's investment objective is to provide an attractive rate of return, measured in U.S. Dollars, through market, instrument and currency selection. The Fund will invest primarily in domestic, international, emerging market and Euromarket Fixed Income Securities of varying maturities denominated in U.S. Dollars and other currencies, including asset-backed securities (including mortgage-backed securities), loan participations and loan assignments, to the extent that these instruments are securitised.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including ESG assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Securities will be deemed to be suitable for investment if at the time of purchase they are rated either "BBB-" or better by S&P or "Baa3" or better by Moody's, or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to hold investments in such securities that are downgraded after purchase. 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.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund’s assets will be invested in such Fixed Income Securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs provided that any such ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The Fund’s sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Bond Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

GLOBAL CONVERTIBLE BOND FUND

The Global Convertible Bond Fund’s investment objective is to seek long-term capital appreciation, measured in U.S. Dollars, through investment primarily in convertible bonds issued by companies organised or operating in either the developed or emerging markets which will be denominated in global currencies.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser’s bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including ESG assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms; and
- manufacturing or production of tobacco.

With respect to fossil fuel activities specifically, the Investment Adviser may engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company. Investments shall not knowingly include any company whose business activity involves the mining and extraction of thermal coal, where the company derives >5% revenue from such business activity.

The exceptions to the above are, firstly, that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment

in such instruments will be subject to diligence by the Investment Adviser. Secondly, the Fund may invest in issuers who may not themselves contribute to the specific environmental or social characteristics promoted by the financial product such as hedging instruments.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in other Fixed Income Securities as well as a combination of equities and warrants on transferable securities either as a result of exercising the conversion option in the convertible bonds in the Fund or as an alternative to convertible bonds when it deems it appropriate.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest to a limited extent in open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Convertible Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- seek to invest in Fixed Income Securities;
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL CREDIT FUND

The Global Credit Fund's investment objective is to provide an attractive rate of relative return, measured in USD.

The Fund will invest primarily in Fixed Income Securities issued by corporations and other non-government issuers ("Corporate Bonds") organised or operating in both developed and emerging markets and denominated in global currencies. With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focused on corporate, sovereign and securitized issuance. Additionally, as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste

reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund but subsequently become restricted due to the application of the ESG criteria above, after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund will not invest in any securities that are rated below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities) by S&P or an equivalent rating from another rating agency or an equivalent internal rating from the Investment Adviser as at the date of investment. In the event that any securities held by the Fund are subsequently downgraded to a rating below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities), the Investment Adviser may maintain a maximum total exposure of 3% of the Fund's Net Asset Value to such downgraded securities but will divest any such security that has not been upgraded to a rating of at least B- within six months of its downgrade.

The Fund may, on an ancillary basis, invest in Fixed Income Securities that are not Corporate Bonds.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Credit Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL CREDIT OPPORTUNITIES FUND

The Global Credit Opportunities Fund's investment objective is to provide an attractive level of total return, measured in U.S. Dollars.

The Fund will invest primarily in Fixed Income Securities issued by corporations ("Corporate Bonds") and other non-government related issuers Located in developed markets, including investment-grade bonds, high-yield bonds. High yield bonds are considered to be Fixed Income Securities issued by corporations that are rated lower than "BBB-" by S&P or "Baa3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may also invest primarily in mortgage-backed securities, and convertibles subject to applicable law and in other asset-backed securities as well as loan participations and loan assignments to the extent that these instruments are securitised. The Investment Adviser may invest in any combination of two or more of the above asset classes.

The Fund will not invest in any securities that are rated below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities) by S&P or an equivalent rating from another rating agency or an equivalent internal rating from the Investment Adviser as at the date of investment. In the event that any securities held by the Fund are subsequently downgraded to a rating below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities), the Investment Adviser may maintain a maximum total exposure of 3% of the Fund's Net Asset Value to such downgraded securities but will divest any such security that has not been upgraded to a rating of at least B- within six (6) months of its downgrade.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate and securitized issuance. Additionally, as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Fund promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human health and wellbeing, through exclusion of tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on

ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may, on an ancillary basis, invest in Fixed Income Securities not meeting the criteria of the Fund's primary investments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange-traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Credit Opportunities Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL FIXED INCOME OPPORTUNITIES FUND

The Global Fixed Income Opportunities Fund's investment objective is to provide an attractive level of total return, measured in U.S. Dollars, through investment in global fixed income securities. The Fund will seek to achieve the investment policy through allocation across fixed income asset classes as well as through market and instrument selection.

The Fund will invest primarily in the global securities of corporate, government and government related issuers across a spectrum of fixed income asset classes including high yield bonds, investment-grade bonds, mortgage-backed securities, convertibles and currencies, and subject to applicable law, in other asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised. High yield bonds are considered to be Fixed Income Securities issued by corporations that are rated lower than "BBB-" by S&P or "Baa3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. These investments may include Fixed Income Securities issued in emerging markets. The Investment Adviser may invest in any combination of two or more of the above asset classes.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser's bottom-

up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on

ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may also invest, on an ancillary basis, additional securities including but not limited to Cash Equivalents, equity or other equity linked securities.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and the composition of the portfolio holdings is not constrained by any benchmarks.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Fixed Income Opportunities Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL HIGH YIELD BOND FUND

The Global High Yield Bond Fund's investment objective is to provide an attractive rate of return, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in high yield and unrated Fixed Income Securities, including without limitation those issued by governments, agencies and corporations located in emerging markets and for the avoidance of doubt and subject to applicable law, including asset-backed securities and loan participations and loan assignments, to the extent that these instruments are securitised.

The Fund will invest in Fixed Income Securities that are rated lower than "BBB-" by S&P or Fitch's Investors Service, Inc. ("Fitch") or lower than "Baa3" by Moody's or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.

The Fund promotes the environmental characteristic of climate change mitigation by excluding corporate issuers that derive 5% or more revenue from thermal coal mining and extraction, and it promotes the social characteristic of avoiding investments in companies deriving any revenue from certain activities which can cause harm to health and wellbeing, specifically tobacco manufacturing, controversial weapons and civilian firearms manufacturing or retail.

The exception to the above thermal coal exclusion is that the Fund may invest in labelled green or sustainability bonds, which are issued to raise capital specifically for climate-related or environmental

projects, so long as the Investment Adviser has determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Fund also makes some allocations to sustainable investments in issuers making a positive contribution towards the United Nations Sustainable Development Goals (SDGs) and in labelled green, social or sustainability bonds making a positive environmental or social contribution through their use of proceeds.

In addition to the above exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO fundamental principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period that takes into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and, in some cases, data on specific issuers, on the sustainability themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores. The Investment Adviser relies on proprietary Environmental, Social and Governance (ESG) research and scoring methodologies, as well as on third-party data, to incorporate an assessment of sustainability-related risks and opportunities into the bottom-up, fundamental research process, and in engagement meetings with issuers, to determine any impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to sustainability themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in Fixed Income Securities not meeting the criteria of the Fund's primary investments.

The Fund may invest no more than 20% of its assets in unrated or lowest rated categorised debt securities (rated C by Moody's or D by S&P).

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global High Yield Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL MACRO FUND

The Global Macro Fund's investment objective is to deliver a positive absolute return in all market conditions, in the form of income plus capital appreciation over a rolling three-year period, through exposure to currencies, and U.S. and non-U.S. interest rates and issuers.

The Fund will seek to achieve its investment objective by investing primarily in a portfolio of transferable securities and Fixed Income Securities globally and through the use of financial derivative instruments.

The Fund's primary investment universe will include Fixed Income Securities (issued by governments and government related, as well as corporate issuers Located in both developed and Emerging Market countries, which include, without limitation, mortgage-

backed securities and other asset-backed securities, inflation-indexed bonds issued by governmental, government-related, and corporate issuers, corporate debt securities (including, without limitation, convertible securities and corporate commercial paper)), units in open and closed-ended collective investment schemes, structured products, deposits, and, to a limited extent, participation notes.

The Fund will not have any particular sectoral or industry focus. The Fund's investments may be highly concentrated in a geographic region or country, and there is no limit on the Fund's exposure to any geographic region or country. The Fund may invest up to 100% of its net assets in the securities of issuers Located in Emerging Market countries (for the purposes of this Fund, defined as any country which did not become a member of the OECD prior to 1975 and Turkey).

The Investment Adviser adjusts investments to take advantage of differences in securities, countries, currencies and credits based on its perception of various factors, including the most favourable markets, interest rates and issuers, the relative yield and appreciation potential of a particular country's securities, and the relationship of a country's currency to the USD. The Investment Adviser identifies countries and currencies where the Fund's investments will outperform comparable investments in other countries and currencies and in many cases seeks to predict changes in economies, markets, political conditions, and other factors.

In evaluating the debt securities issued by governments, government agencies and government-sponsored enterprises in which the Fund may invest, the Investment Adviser will integrate environmental, social and governance ("ESG") criteria. The Investment Adviser, as part of its research and asset selection process in respect of debt securities, will consider the ESG issues in respect of each country and will carry out a qualitative analysis of each country, rating the ESG factors for each country based on information gathered by the research staff of the Investment Adviser, sub-adviser (if applicable) and/or their affiliates as well as third party sources. Such qualitative analysis will be supplemented by quantitative ESG scores attributed by the Investment Adviser to each country and the ESG scores allow for cross-country comparisons. As part of the Investment Adviser's analysis, the Investment Adviser may have regard to ESG factors comprising Sustainability Risks or opportunities likely to affect the financial condition or performance of the country over a long-term investment horizon, including, without limitation, pollution/environmental/ecosystem health, risk of social unrest, human development, democracy and rights and freedoms.

The Investment Adviser believes that as sustainability issues are sources of long-term risk and return, the integration of Sustainability Risks as outlined above may assist in enhancing the returns of the Fund over the long term.

The Fund may invest no more than 20% of its assets in aggregate in asset-backed securities (ABS) and/or mortgage-backed securities (MBS).

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Fund may also invest, on an ancillary basis, in warrants.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Global Macro Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

SHORT DURATION US GOVERNMENT INCOME FUND

The Short Duration US Government Income Fund's investment objective is to seek total return, which is defined as income plus capital appreciation, by investing primarily in Fixed Income Securities issued, backed or otherwise guaranteed by the U.S. Government or its agencies or instrumentalities. The dollar weighted average duration of the Fund will normally be less than 3 years, although this may be higher under certain market conditions. In general, the longer the average duration of the portfolio the greater the exposure to interest rate risk and as such the more volatile the value of the fund. Due to the Fund's relative short duration, the Fund is likely to generate reasonably steady returns and maintain relatively low levels of volatility in the value of the

Fund. Since the Fund's return will primarily be generated by income payments from the underlying investments rather than by capital appreciation of the portfolio.

The Fund may enter into forward commitments to purchase mortgage-backed securities ("**MBS**") issued by Ginnie Mae, Fannie Mae and Freddie Mac (to-be-announced transactions, or "TBAs"). The Fund may also enter into generic MBS coupon swaps, agency swaps, and term swaps by entering into forward commitments to both purchase and sell MBS. Such forward commitments may be entered into for the purposes of increasing returns or reducing risk and may result in investment leverage.

The Fund may also enter into Mortgage Dollar Rolls, whereby the Fund sells MBS for delivery in the current month and simultaneously contracts to repurchase substantially similar (same type, coupon and maturity) MBS on a specified future date. During the roll period, the Fund forgoes principal and interest paid on the MBS.

The Fund's Investment Adviser utilizes the information provided by, and the expertise of, the research staff of the Investment Adviser, sub-adviser (if applicable) and/or their affiliates in making investment decisions. When selecting which securities to invest in, the Investment Adviser seeks to identify the securities which it believes to be the best relative value with regard to price, yield, and expected total return in relation to other available instruments. Securities are analysed using various prepayment models (i.e., models which analyse the expected level of prepayments on a portfolio of assets) and scenarios which are proprietary to the Investment Adviser, and evaluated versus the overall market on a risk/return basis. Securities are also reviewed in the context of the Fund's overall portfolio to determine if the security fits the portfolio and to make sure that allocation does not overweight the portfolio to a particular risk factor. As part of the selection process, the Investment Adviser will analyse a number of factors in relation to each security, including (i) the underlying collateral characteristics of the security, (ii) their prepayment expectations for the collateral, and (iii) the compatibility of the security's structure with those prepayment expectations. Collateral analysis involves an in-depth examination of borrower characteristics that may influence a security's propensity to prepay and includes factors such as agency, borrower geographic dispersion, mortgage servicer mix, loan size, etc. Security structure selection involves identifying structures that are expected to be enhanced by the Investment Adviser's prepayment expectations. The Investment Adviser makes its investment decisions primarily on the basis of fundamental research, including the factors outlined above, and relative value and may sell a security when it believes it no longer represents the best relative value based on the fundamental research. Based on the analysis and research undertaken by the Investment Adviser, which will include the relative risk / return characteristics of each prospective investment, the Investment Adviser will select securities which it believes will provide the Fund with the most appropriate relative value.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange trades and over-the-counter options, futures and other derivatives for efficient portfolio management (including hedging) purposes.

In addition to the above, in making investment decisions, the Investment Adviser may integrate environmental, social and governance (“ESG”) criteria. The Investment Adviser may utilize the extensive proprietary ESG research generated by its affiliate, Calvert Research and Management, as well as its own ESG research in evaluating investments. Given the investment focus of the Fund on debt instruments issued, backed or otherwise guaranteed by the U.S. Government or its agencies or instrumentalities, it is not generally expected that ESG considerations will be a significant factor in the Fund’s investment decisions. The Investment Adviser believes that as sustainability issues are sources of long-term risk and return, the integration of sustainability risks as outlined above may assist in enhancing the returns of the Fund over the long term.

The Fund may invest more than 20% of its assets in aggregate in mortgage-backed securities (MBS).

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Fund may also invest, to a limited extent, in Fixed Income Securities not meeting the criteria of the Fund’s primary investments, warrants on securities, Cash Equivalents and other equity linked securities.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Short Duration US Government Income Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;

- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

SHORT MATURITY EURO BOND FUND

The Short Maturity Euro Bond Fund’s investment objective is to provide an attractive rate of relative return, measured in Euro.

The Fund will invest primarily in Euro denominated Fixed Income Securities whether issued by corporations, government or government guaranteed issuers. With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund will invest primarily, in order to reduce volatility, in individual securities with maturity dates having a maximum unexpired term of five years.

The Fund will not invest in any securities that are rated below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities) by S&P or an equivalent rating from another rating agency or an equivalent internal rating from the Investment Adviser as at the date of investment. In the event that any securities held by the Fund are subsequently downgraded to a rating below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities), the Investment Adviser may maintain a maximum total exposure of 3% of the Fund’s Net Asset Value to such downgraded securities but will divest any such security that has not been upgraded to a rating of at least B- within six months of its downgrade.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser’s bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO2 equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes

described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the

Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Short Maturity Euro Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the short term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

SHORT MATURITY EURO CORPORATE BOND FUND

The Short Maturity Euro Corporate Bond Fund's investment objective is to provide an attractive rate of relative return, measured in Euro.

The Fund will invest, in order to reduce volatility, primarily in Euro denominated Fixed Income Securities, issued by corporations ("Corporate Bonds") with maturity dates or call dates (whichever is earlier) having a maximum unexpired term of three (3) years.

The Fund will not invest in any securities that are rated below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities) by S&P or an equivalent rating from another rating agency or an equivalent internal rating from the Investment Adviser as at the date of investment. In the event that any securities held by the Fund are subsequently downgraded to a rating below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities), the Investment Adviser may maintain a maximum total exposure of 3% of the Fund's Net Asset Value to such downgraded securities but will divest any such security that has not been upgraded to a rating of at least B- within six (6) months of its downgrade.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, and securitized issuance. Additionally, as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include but are not limited to ESG themes such as decarbonisation and climate risk, circular economy and waste reduction, diverse and inclusive business and decent work and resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Fund promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human health and wellbeing through exclusion of tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued

to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund may, on an ancillary basis, invest in Fixed Income Securities not meeting the criteria of the Fund's primary investments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund may invest no more than 20% of its assets in aggregate asset-backed securities (ABS) and/or mortgage-backed securities (MBS).

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund's investments may result in exposure to emerging markets and to higher yielding securities.

The Fund is actively managed and is not designed to track a benchmark. Therefore, the management of the Fund is not constrained by the composition of a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Short Maturity Euro Corporate Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the short term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

SUSTAINABLE EURO CORPORATE BOND FUND

The Sustainable Euro Corporate Bond Fund's investment objective is to provide an attractive rate of relative return, measured in Euro, while integrating ESG characteristics by screening out sectors and issuers with low overall sustainability scores, and maintaining a lower carbon footprint than the corporate bond component of the Bloomberg European Corporate Index (see below) taking into account the long-term global warming objectives of the Paris Agreement, as further described below.

The Fund will invest primarily in Euro denominated Fixed Income Securities, issued by corporations and other non-government related issuers ("Corporate Bonds").

In relation to this Fund, "Sustainable" means that the Investment Adviser integrates the consideration of sustainable themes and ESG issues in its investment decision-making on a discretionary basis as further detailed below. In addition, the investment Adviser may include evaluation of positive and negative contributions towards the UN Sustainable Development Goals and may engage company management around corporate governance practices as well as what it deems to be materially important environmental and/or social issues facing a company.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally, as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at an annual basis.

The Fund will not invest in corporate issuers which:

Derive any revenue from any of the following activities:

- Thermal coal mining and extraction;
- Controversial weapons manufacturing or retail (anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons);
- Civilian firearms manufacturing or retail;
- Tobacco manufacturing;

Derive more than 5% revenue from any of the following activities:

- Oil sands extraction;
- Arctic oil and gas production

Derive more than 10% revenue from the following activities:

- Coal-fired power generation;
- Gambling;
- Tobacco retail and distribution;
- Adult entertainment; or

Violate any of the following norm-based exclusions:

- Are deemed to have violated the UN Global Compact;
- Are deemed to have violated the UN Guiding Principles on Business and Human Rights;
- Are deemed to have violated the ILO Fundamental Principles; or
- Have experienced very severe ESG-related controversies, including in relation to violations of the OECD Guidelines for Multinational Enterprises.

The exception to the above is that the Fund may invest in labelled Green and Sustainability Bonds (see below), which are issued to raise capital specifically for climate-related projects, so long as the Investment Adviser has determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

The Fund will only invest in the top 80% of rated ESG-scoring corporates in each sub-sector of the Bloomberg European Corporate Index. The ESG scores are determined by the Investment Adviser, using third party ESG data as a base having regard to ESG themes including, but not limited to, climate change mitigation, responsible use of natural resources, sustainable waste management, inclusive human capital management, and gender equality. The aforementioned ESG criteria should result in at least 20% reduction of the investible universe of corporates, and the Investment Adviser will use its best efforts to ensure that at least 90% of the corporates in the portfolio are assessed through its ESG scoring methodology. The methodology is available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

Investments that are held by the Fund but subsequently become restricted due to the application of the ESG criteria above, after they are acquired for the Fund will be sold. Such sales will take

place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

For the proportion of the Fund invested in bonds issued by corporates, the Fund will maintain a lower carbon footprint than the corporate bond component of the Bloomberg European Corporate Index, taking into account the long-term global warming objectives of the Paris Agreement. Carbon footprint shall be measured as Weighted Average Carbon Intensity, defined as tonnes of CO2 equivalent per \$1million revenue. Green and Sustainability (as below) Bonds with climate-related objectives may be determined to have different carbon footprints than the issuers of the bonds. In such cases, the Investment Adviser shall disclose its methodology for determining the relevant carbon footprint of such instruments.

As part of its strategy, the Investment Adviser may invest a proportion of the Fund in Green and Sustainability Bonds, as labelled in the securities' documentation, where the issuer commits to allocate the proceeds to projects making a positive environmental or social contribution. This includes, but is not limited to bonds that align with the International Capital Market Association (ICMA)'s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

The Investment Adviser deploys a proprietary assessment framework for the above-mentioned labelled bonds, through which the robustness, impact and transparency of such instruments are evaluated.

As noted above, the Investment Adviser uses third-party data and ESG scores and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of derivative instruments such as index futures, contracts for difference (CFDs), TRS, structured notes (including participatory notes), convertible bonds, convertible preferred stocks, options, foreign exchange options, currency forwards and forward contracts and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund will not invest in any securities that are rated below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities) by S&P or an equivalent rating from another rating agency or an equivalent internal rating from the Investment Adviser as at the date of investment. In the event that any securities held by the Fund are subsequently downgraded to a rating below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities), the Investment

Adviser may maintain a maximum total exposure of 3% of the Fund's Net Asset Value to such downgraded securities but will divest any such security that has not been upgraded to a rating of at least B- within six months of its downgrade.

The Fund may, on an ancillary basis, invest in:

- Non-Euro denominated Fixed Income Securities. In accordance with Appendix A "Investment Powers and Restrictions" non-Euro currency exposure may be hedged back to the Euro.
- Fixed Income Securities that are not Corporate Bonds.

The Fund may invest no more than 20% of its assets in asset-backed securities.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund is actively managed and references the Bloomberg European Corporate Index for the purpose of defining the investment universe. The Investment Adviser has full discretion over the composition of the assets in the Fund. While the Fund will primarily invest in securities that are within the Bloomberg European Corporate Index, it may invest in such components in different weights to those of the Bloomberg European Corporate Index, and it may hold securities which are not included within the Bloomberg European Corporate Index. Hence, there are no restrictions on the extent to which the Fund's performance may deviate from the Bloomberg European Corporate Index.

In addition, the Fund's performance is measured against a benchmark as detailed in the Fund's KID. In the context of the Fund's ESG integration, the Investment Adviser uses the corporate bond component of the Bloomberg European Corporate Index for the purposes of comparing the Fund's carbon footprint.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Sustainable Euro Corporate Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

SUSTAINABLE EURO STRATEGIC BOND FUND

The Sustainable Euro Strategic Bond Fund's investment objective is to provide an attractive rate of relative return, measured in Euro, by investing in securities that meet the Investment Adviser's Fixed Income Securities' ESG criteria while integrating ESG characteristics by screening out sectors and issuers with low overall sustainability scores, and maintaining a lower carbon footprint than the corporate bond component of the Bloomberg Euro Aggregate Index (see below), taking into account the long-term global warming objectives of the Paris Agreement, as further described below.

The Fund will invest primarily in issues of Euro denominated Fixed Income Securities whether issued by corporations, government or government guaranteed issuers, and subject to applicable law, no more than 20% of its assets in asset-backed securities to the extent that these instruments are securitised.

In relation to this Fund, "Sustainable" means that the Investment Adviser, integrates the consideration of sustainable themes and ESG issues in its investment decision-making on a discretionary basis as further detailed below. In addition, the investment Adviser may include evaluation of positive and negative contributions towards the UN Sustainable Development Goals and may engage company management around corporate governance practices as well as what it deems to be materially important environmental and/or social issues facing a company.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally, as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability

indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at on an annual basis.

The Fund will not invest in corporate issuers which:

Derive any revenue from any of the following activities:

- Thermal coal mining and extraction;
- Controversial weapons manufacturing or retail (anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons);
- Civilian firearms manufacturing or retail;
- Tobacco manufacturing;

Derive more than 5% revenue from any of the following activities:

- Oil sands extraction;
- Arctic oil and gas production;

Derive more than 10% revenue from the following activities:

- Coal-fired power generation;
- Gambling;
- Tobacco retail and distribution;
- Adult entertainment; or

Violate any of the following norm-based exclusions:

- Are deemed to have violated the UN Global Compact;
- Are deemed to have violated the UN Guiding Principles on Business and Human Rights;
- Are deemed to have violated the ILO Fundamental Principles; or
- Have experienced very severe ESG-related controversies, including in relation to violations of the OECD Guidelines for Multinational Enterprises.

The exception to the above is that the Fund may invest in labelled Green and Sustainability Bonds (see below), which are issued to raise capital specifically for climate-related projects, so long as the Investment Adviser has determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

For its investments in Fixed Income Securities issued by corporations, the Fund will only invest in the top 80% of rated ESG-scoring corporates in each sub-sector of the Bloomberg Euro Aggregate Index. The ESG scores are determined by the Investment Adviser, using third party ESG data as a base having regard to ESG themes including, but not limited to, climate change mitigation, responsible use of natural resources, sustainable waste management, inclusive human capital management, and gender equality. For the Fund's investments in Fixed Income Securities issued by sovereigns, the Fund will only invest in sovereigns within the top 80% of ESG scoring sovereigns that we have evaluated, unless the Investment Adviser perceives that a sovereign in the bottom 20% is demonstrating positive sustainability momentum, and/or issues a labelled Green, Social or Sustainability Bond (see below). The Fund will not invest in bonds from sovereigns which we have not scored. The aforementioned ESG criteria should result in at least 20% reduction of the investible universe of corporates and sovereigns, and the Investment Adviser will use its best efforts to ensure that at least 90% of the corporates in the portfolio are assessed through its ESG scoring methodology. The methodology is available on the following websites: www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

Investments that are held by the Fund but subsequently become restricted due to the application of the ESG criteria above, after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

For the proportion of the Fund invested in bonds issued by corporates, the Fund will maintain a lower carbon footprint than the corporate bond component of the Bloomberg Euro Aggregate Index, taking into account the long-term global warming objectives of the Paris Agreement. Carbon footprint shall be measured as Weighted Average Carbon Intensity, defined as tonnes of CO₂ equivalent per \$1million revenue. Green and Sustainability Bonds (as below) with climate-related objectives may be determined to have different carbon footprints than the issuers of the bonds. In such cases, the Investment Adviser shall disclose its methodology for determining the relevant carbon footprint of such instruments.

As part of its strategy, the Investment Adviser may invest a proportion of the Fund in Sustainable Bonds, defined as labelled

Green, Social, or Sustainability Bond as labelled in the securities' documentation, Bonds where the issuer commits to allocate the proceeds to projects making a positive environmental or social contribution. This includes, but is not limited to bonds that align with the International Capital Market Association (ICMA) 's Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

The Investment Adviser deploys a proprietary assessment framework for the above-mentioned labelled bonds, through which the robustness, impact and transparency of such instruments are evaluated.

As noted above, the Investment Adviser uses third-party data and ESG scores and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of derivative instruments such as index futures, contracts for difference (CFDs), TRS, structured notes (including participatory notes), convertible bonds, convertible preferred stocks, options, foreign exchange options, currency forwards and forward contracts and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in non-Euro denominated Fixed Income Securities. In accordance with Appendix A "Investment Powers and Restrictions" non-Euro currency exposure may be hedged back to the Euro.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest in Fixed Income Securities acquired on the China Interbank Bond Market. No more than 10% of the Fund's assets will be invested in such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund is actively managed and references the Bloomberg Euro Aggregate Index for the purpose of defining the investment universe. The Investment Adviser has full discretion over the composition of the assets in the Fund. While the Fund will primarily invest in securities that are within the Bloomberg Euro Aggregate Index, it may invest in such components in different

weights to those of the Bloomberg Euro Aggregate Index, and it may hold securities which are not included within the Bloomberg Euro Aggregate Index. Hence, there are no restrictions on the extent to which the Fund's performance may deviate from the Bloomberg Euro Aggregate Index.

In addition, the Fund's performance is measured against a benchmark as detailed in the Fund's KID. In the context of the Fund's ESG integration, the Investment Adviser uses the corporate bond component of the Bloomberg Euro Aggregate Index for the purposes of comparing the Fund's carbon footprint.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Sustainable Euro Strategic Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term.
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US DOLLAR CORPORATE BOND FUND

The US Dollar Corporate Bond Fund's investment objective is to provide an attractive rate of relative return, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in U.S. Dollar denominated Fixed Income Securities issued by corporations and other non-government issuers ("Corporate Bonds").

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as

decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs. The Investment Adviser will monitor core sustainability indicators, including environmental, social and governance assessments from third-party providers, and carbon footprint (measured by carbon intensity, defined as tonnes of CO₂ equivalent per \$1 million revenue for the proportion of the Fund invested in bonds issued by corporates) in order to measure and evaluate the contribution of the Fixed Income Securities to the ESG themes described above. The indicators will be measured and evaluated at least on an annual basis.

The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

The Investment Adviser promotes the low carbon transition through excluding corporate issuers for which thermal coal production is a core business, and promotes human life through excluding products that are detrimental to health and wellbeing, specifically tobacco, controversial weapons and civilian firearms manufacturing. Accordingly, investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms;
- manufacturing or production of tobacco; and
- mining and extraction of thermal coal, where the company derives 5% or more revenue from such business activity.

The exception to the above coal exclusion is that the Fund may invest in labelled Green and Sustainability bonds, which are issued to raise capital specifically for climate-related projects, so long as it has been determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser. The Investment Adviser may also engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may invest in derivatives (in accordance with the investment powers and restrictions set out in Appendix A) such as exchange traded and over-the-counter options, futures, swaps and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund will not invest in any securities that are rated below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities) by S&P or an equivalent rating from another rating agency or an equivalent internal rating from the Investment Adviser as at the date of investment. In the event that any securities held by the Fund are subsequently downgraded to a rating below B- (or below BBB- in the case of asset-backed securities, including mortgage-backed securities), the Investment Adviser may maintain a maximum total exposure of 3% of the Fund's Net Asset Value to such downgraded securities but will divest any such security that has not been upgraded to a rating of at least B- within six months of its downgrade.

The Fund may, on an ancillary basis, invest in:

- Non-U.S. Dollar denominated Fixed Income Securities. In accordance with Appendix A "Investment Powers and Restrictions" non U.S. Dollar currency exposure may be hedged back to U.S. Dollars;
- Fixed Income Securities that are not Corporate Bonds.

The Fund may invest no more than 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund may invest in issuers or securities which may not themselves contribute to the specific environmental or social characteristics promoted by the financial product, such as hedging instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US Dollar Corporate Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US DOLLAR SHORT DURATION BOND FUND

The US Dollar Short Duration Bond Fund's investment objective is to provide an attractive rate of return, measured in U.S. Dollars. The Fund will seek to achieve its investment objective by investing primarily in high quality USD denominated Fixed Income Securities, and for the avoidance of doubt including asset-backed securities (including mortgage-backed securities). The weighted average duration of the Fund will normally be less than 1 year, although this may be higher under certain market conditions.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs, The Investment Adviser also deploys a proprietary assessment

framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

Investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms; and
- manufacturing or production of tobacco.

With respect to fossil fuel activities specifically, the Investment Adviser may engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company. Investments shall not knowingly include any company whose business activity involves the mining and extraction of thermal coal, where the company derives >5% revenue from such business activity. The exception to the above is that the Fund may invest in labelled Green and Sustainability Bonds, which are issued to raise capital specifically for climate-related projects, so long as it has determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund but, due to the application of the ESG criteria above, become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Securities will be deemed to be high quality if at the time of purchase they are rated either “BBB-” or better by S&P or “Baa3” or better by Moody’s, or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to invest in such securities that are downgraded after purchase but may not make additional purchases of such securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company’s Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund is actively managed and is not designed to track a benchmark. The Fund’s performance is measured against a benchmark as detailed in the Fund’s KID.

Taxonomy Regulation disclosure

The Fund’s sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund’s environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US Dollar Short Duration Bond Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the short term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

US DOLLAR SHORT DURATION HIGH YIELD BOND FUND

The US Dollar Short Duration High Yield Bond Fund’s investment objective is to provide an attractive rate of total return, measured in USD. The Fund will seek to achieve its investment objective by investing primarily in high yield and unrated USD denominated High Yield Fixed Income Securities, including without limitation those issued by governments, agencies and corporations located in emerging markets and for the avoidance of doubt and subject to applicable law, including asset-backed securities, loan participations

and loan assignments, to the extent that these instruments are securitised.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser’s bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs, The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

Investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms; and
- manufacturing or production of tobacco.

With respect to fossil fuel activities specifically, the Investment Adviser may engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company. Investments shall not knowingly include any company whose business activity involves the mining and extraction of thermal coal, where the company derives >5% revenue from such business activity.

The exception to the above is that the Fund may invest in labelled Green and Sustainability Bonds, which are issued to raise capital specifically for climate-related projects, so long as it has determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund but, due to the application of the ESG criteria above, become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The weighted average duration of the Fund will normally be less than 3 years, although this may be higher under certain market conditions.

High Yield Fixed Income Security means a Fixed Income Security that has a rating less than "BBB-" by S&P or "Baa3" by Moody's or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.

The Fund may, on an ancillary basis, invest in:

- Higher quality Fixed Income Securities than High Yield Fixed Income Securities; and
- Non-USD denominated Fixed Income Securities.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any such ETFs are eligible investments for UCITS funds.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US Dollar Short Duration High Yield Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US HIGH YIELD BOND FUND

The US High Yield Bond Fund's investment objective is to provide an attractive rate of total return, measured in U.S. Dollars.

The Fund will seek to achieve its investment objective by investing primarily in high yield and unrated U.S. Dollar denominated Fixed Income Securities from issuers that are Located in the U.S. and which may include zero coupon bonds, deferred interest bonds and bonds on which the interest is payable in the form of additional eligible bonds of the same kind (Payment-in-Kind (PIK) bonds).

The Fund will invest in Fixed Income Securities that are rated lower than "BBB-" by S&P or Fitch's Investors Service, Inc. ("Fitch") or lower than "Baa3" by Moody's or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.

The Fund promotes the environmental characteristic of climate change mitigation by excluding corporate issuers that derive 5% or more revenue from thermal coal mining and extraction, and it promotes the social characteristic of avoiding investments in companies deriving any revenue from certain activities which can cause harm to health and wellbeing, specifically tobacco manufacturing, controversial weapons and civilian firearms manufacturing or retail.

The exception to the above thermal coal exclusion is that the Fund may invest in labelled green or sustainability bonds, which are issued to raise capital specifically for climate-related or environmental projects, so long as the Investment Adviser has determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser.

In addition to the above exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO fundamental principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund which as a result of the application of the ESG criteria above become restricted after they are acquired for the Fund, will be sold. Such sales will take place over a time period that takes into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and, in some cases, data on specific issuers, on the sustainability themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Investment Adviser relies on proprietary Environmental, Social and Governance (ESG) research and scoring methodologies, as well as on third-party data, to incorporate an assessment of sustainability-related risks and opportunities into the bottom-up, fundamental research process, and in engagement meetings with issuers, to determine any impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to sustainability themes such as decarbonisation & climate action, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in Fixed Income Securities not meeting the criteria of the Fund's primary investments.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US High Yield Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US HIGH YIELD MIDDLE MARKET BOND FUND

The US High Yield Middle Market Bond Fund's investment objective is to provide an attractive rate of total return, measured in U.S. Dollars. The Fund will seek to achieve its investment objective by investing primarily in high yield and unrated U.S. Dollar denominated Fixed Income Securities, including without limitation those issued by Middle Market corporations or by governments and agencies located in developed or emerging markets and for the avoidance of doubt and subject to applicable law, including asset-backed securities and loan participations and loan assignments, to the extent that these instruments are securitised. For the purpose of this Fund, "Middle Market" is defined as the market for issuers with up to USD 1 billion in outstanding debt.

The Investment Adviser applies proprietary assessment and scoring methodologies that are bespoke to Fixed Income Securities the Fund may invest in, focussed on corporate, sovereign and securitized issuance. Additionally as part of the Investment Adviser's bottom-up, fundamental research process, and in its engagements with issuers, the Investment Adviser incorporates an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicalities of the Fixed Income Securities. These criteria may include, but are not limited to ESG themes such as decarbonisation & climate risk, circular economy & waste reduction, diverse & inclusive business and decent work & resilient jobs, The Investment Adviser also deploys a proprietary assessment framework for labelled sustainable bonds, through which the

robustness, impact and transparency of such instruments are evaluated.

Investments shall not knowingly include any company whose business activity involves the following:

- manufacturing or production of controversial weapons;
- manufacturing or production of civilian firearms; and
- manufacturing or production of tobacco.

With respect to fossil fuel activities specifically, the Investment Adviser may engage company management around the topics of decarbonisation and climate risk, as well as corporate governance practices and what it deems to be materially important other environmental and/or social issues facing a company. Investments shall not knowingly include any company whose business activity involves the mining and extraction of thermal coal, where the company derives >5% revenue from such business activity. The exception to the above is that the Fund may invest in labelled Green and Sustainability Bonds, which are issued to raise capital specifically for climate-related projects, so long as it has determined that the objectives of such instruments are consistent with a reduction by the issuer in its carbon emissions. Investment in such instruments will be subject to diligence by the Investment Adviser.

In addition to the above sectoral exclusions, the Investment Adviser monitors business practices on an ongoing basis, through data on ESG controversies and standards screening sourced from third party providers. The Investment Adviser will consider controversy cases that it views as being very severe based on ratings by relevant ESG data providers, and failures to comply with the UN Global Compact or the ILO Fundamental Principles, although such incidents will not automatically result in exclusion from the portfolio.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Investments that are held by the Fund but, due to the application of the ESG criteria above, become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The Investment Adviser uses third-party data and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

High yield Fixed Income Security means a Fixed Income Security that has a rating less than "BBB-" by S&P or "Baa3" by Moody's or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.

The Fund may, on an ancillary basis, invest in higher quality Fixed Income Securities and non-USD denominated Fixed Income Securities.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs provided that any ETFs are eligible investments for UCITS funds.

The Fund is actively managed and is not designed to track a benchmark. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the US High Yield Middle Market Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

ASSET ALLOCATION FUNDS

The following Asset Allocation Funds have the following objectives:

GLOBAL BALANCED DEFENSIVE FUND

The Global Balanced Defensive Fund's investment objective is to provide an attractive level of total return, measured in Euro, through investing primarily in a portfolio of transferable securities and money market instruments globally and through the use of financial derivative instruments. The Fund is managed within a clearly-defined, risk-controlled framework, actively managing the total portfolio risk, by managing the portfolio volatility level in line with a pre-defined target volatility below that of the Global Balanced Fund. The Investment Adviser dynamically adjust the portfolio positioning in a balanced mix of equity, fixed income, Cash Equivalents, and commodity-linked securities, aiming to maintain a stable risk profile using an ex-ante approach.

The Fund will implement top-down, tactical views on global asset classes across (1) equity including closed-end Real Estate Investment Trusts (REITS); (2) Fixed Income Securities; and (3) Cash Equivalents.

The Investment Adviser's tactical view will be implemented by accessing the following investment universe:

- Primary investments: equity securities, including closed-end Real Estate Investment Trusts (REITS); Fixed Income Securities (including investment grade, non-investment grade and unrated); and Cash Equivalents. This investment may be direct, or via derivatives. The Fund may invest in financial derivative instruments to achieve its investment objective and derivatives may be used for both investment and hedging purposes. These derivative instruments may include but are not limited to futures, options, warrants, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments and swap contracts, whether traded on or off exchange.
- Ancillary investments: other transferable securities or, to a limited extent, to collective investment schemes including the Company's Funds and ETFs as well as China A-Shares via Stock Connect. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Investment Adviser anticipates it will predominantly employ the following investment strategies:

- Global asset allocation: investing in securities in line with individual asset class indices. The Investment Adviser will select the indices which will be used to make tactical views globally across (1) equity securities including Real Estate Investment Trusts (REITS); (2) Fixed Income Securities; and (3) Cash Equivalents. The Investment Adviser may use on or off exchange traded derivatives such as futures or swaps to gain diversified and/or more efficient exposure to specific global markets where due to the intended allocation size or due to inefficiencies in transacting directly in the underlying securities,

investing via derivatives is a preferable investment option in the Investment Adviser's opinion.

- ESG screening: in addition, the Investment Adviser may consider ESG factors on a bottom-up basis; where investing directly in transferable securities, the Investment Adviser may consider the relative ranking of issuers for ESG factors as part of assessing the potential for return and as part of managing total portfolio risk.

The Investment Adviser may use additional investment strategies such as:

- Commodity-linked investments: the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) implement tactical views on commodities via exchange traded commodities (ETCs) and/or commodity linked notes.
- Use of derivatives for efficient portfolio management: the Fund may also invest in Cash Equivalents, warrants, exchange traded and over-the-counter options, and other derivatives for efficient portfolio management (including hedging) purposes as well as for the investment purposes as outlined above.

The Fund's investments may result in exposure to emerging markets and to higher yielding securities.

The Fund is actively managed and the composition of the portfolio holdings is not constrained by any benchmarks.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Global Balanced Defensive Fund's investment objective it may be appropriate for investors who:

- seek capital appreciation over the medium term;
- seek a balanced investment that focuses on those asset classes the Investment Adviser finds tactically most attractive;
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BALANCED FUND

The Global Balanced Fund's investment objective is to provide an attractive level of total return, measured in Euro, by investing in a broad and balanced asset mix of both equity and Fixed Income Securities while incorporating ESG considerations. The Fund is managed within a clearly-defined, risk-controlled framework, actively managing the total portfolio risk, by managing the portfolio volatility level in line with a pre-defined target volatility. The Investment Adviser dynamically adjust the portfolio positioning in a balanced mix of equity, fixed income, Cash Equivalents, and commodity-

linked securities, aiming to maintain a stable risk profile using an ex-ante approach.

The Investment Adviser will implement a flexible top-down driven approach to identify investment opportunities across the permissible investment universe.

Sustainability factors are considered by the Investment Adviser during both the investment and research process to limit exposure to Sustainability Risks and seek out investment opportunities. These criteria may include, but are not limited to, climate change, carbon emissions, water scarcity, waste management, biodiversity, labour management, gender diversity, health & safety, product safety, data privacy & security, executive remuneration, board independence, shareholder rights, and bribery and corruption.

In relation to this Fund, “Sustainable” means that the Investment Adviser, in its discretion, integrates ESG considerations in its investment decision-making as further detailed below. The Investment Adviser may engage company management around corporate governance practices as well as what it deems to be materially important environmental and/or social issues facing a company in order to ensure that the target companies follow good governance practices.

The Investment Adviser shall not knowingly include the following companies in the investment universe, companies:

- associated with severe ESG controversies;
- involved with controversial weapons (including civilian firearms);
- involved in gambling;
- associated with tobacco; and
- that derive revenue from thermal coal and oil sands.

The details of the above exclusions can be found in the Fund’s exclusion policy which is available on the Company’s website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im). The exclusions (which comprise, but are not limited to, the above exclusions) are determined by the Investment Adviser’s own proprietary analysis rather than the reliance on third party analysis. However, the analysis may be supported by third party ESG controversies analysis and business involvement research. The exclusions criteria is applied to all direct investments within the Fund. The exclusion criteria will not be applied to investments in which the Investment Adviser does not have direct control of the underlying holdings, for example collective investment schemes or open-ended ETFs. The exclusion criteria is subject to periodic review and any changes will be reflected in the exclusion policy document.

Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment

Adviser, taking into account the best interests of the Shareholders of the Fund.

The Investment Adviser integrates ESG data including ratings and scores from third parties when constructing security baskets to implement asset class views, subject to a tracking error and other constraints. The Investment Adviser uses third-party data and ESG scores and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Investment Adviser tilts the portfolio of the Fund towards high ESG performing stocks, and aims to improve the aggregated fund ESG performance versus that of the underlying equity index. In addition to ESG factors, the Investment Adviser treats climate change as a separate consideration, and also applies an additional climate change score during the tilting process.

The Investment Adviser creates – for all 11 GICS sectors within each regional equity market – individual baskets that tilt towards the top quartile ESG and low-carbon transition leaders.

The Fund’s primary investment universe includes equity securities, including eligible closed-end Real Estate Investment Trusts (REITS); Fixed Income Securities (including investment grade, non-investment grade and unrated); and Cash Equivalents. This investment may be direct, or via derivatives. The Fund may invest in financial derivative instruments for both investment and hedging purposes. These derivative instruments may include but are not limited to futures, options, warrants, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments and swap contracts, whether traded on or off exchange.

The Fund’s ancillary investment universe may also invest to a limited extent in units/shares of other collective investment schemes including the Company’s Funds and open-ended ETFs, provided that any ETFs are eligible investments for UCITS funds. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Investment Adviser may use additional investment strategies such as commodity-linked investments which qualify as transferable securities in accordance with article 1(34) of the 2010 Law and article 2 of the Grand-Ducal Regulation of 8 February 2008. The Fund may (in accordance with the investment powers and restrictions set out in Appendix A) implement tactical views on commodities via exchange traded commodities (ETCs) and/or commodity linked notes.

The Fund may also invest in Cash Equivalents, warrants, exchange traded and over-the-counter options, and other derivatives for

efficient portfolio management (including hedging) purposes as well as for the investment purposes as outlined above.

The Fund's investments may result in exposure to emerging markets and to higher yielding securities.

The Fund is actively managed and the composition of the portfolio holdings is not constrained by any benchmarks.

Taxonomy Regulation disclosure

The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Balanced Fund's investment objective it may be appropriate for investors who:

- seek capital appreciation over the medium term;
- seek a balanced investment that focuses on those asset classes the Investment Adviser finds tactically most attractive;
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BALANCED INCOME FUND¹⁸

The Global Balanced Income Fund's investment objective is to provide regular income and capital appreciation, measured in Euro, through investing primarily in a portfolio of transferable securities and money market instruments globally and through the use of financial derivative instruments. The Fund is managed within a

¹⁸ With effect as of 27 December 2023, the investment policy of the Fund will be changed in order to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance. The Fund will then fall within the scope of Article 8 of the SFDR.

Consequently, the following paragraphs will be inserted after the current first paragraph:

"In targeting its investment objective, the Investment Adviser also integrates a range material ESG factors. These factors may include, but are not limited to, climate change, carbon emissions, water scarcity, waste management, biodiversity, labour management, gender diversity, health & safety, product safety, data privacy & security, executive remuneration, board independence, shareholder rights, and bribery and corruption.

The Investment Adviser may engage company management around corporate governance practices as well as what it deems to be materially important environmental and/or social issues facing a company in order to ensure that the target companies follow good governance practices.

The Investment Adviser shall not knowingly include the following companies in the investment universe, companies:

- associated with severe ESG controversies;
- involved with controversial weapons (including civilian firearms);
- involved in gambling;
- associated with tobacco;
- associated with adult entertainment;
- that derive revenue from Arctic oil and gas or from oil sands; and
- that derive revenue from thermal coal or from thermal coal generation.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com) and on www.morganstanley.com/im). The exclusions (which comprise, but are not limited to, the above exclusions) are determined by the Investment Adviser's own proprietary analysis rather than the reliance on third party analysis. However, the analysis may be supported by third party ESG controversies analysis and business involvement research. The exclusions criteria is applied to all direct investments within the Fund. The exclusion criteria will not be applied to investments in which the Investment Adviser does not have direct control of the underlying holdings, for example collective investment schemes or open-ended ETFs. The exclusion criteria is subject to periodic review and any changes will be reflected in the exclusion policy document.

clearly-defined, risk-controlled framework, actively managing the total portfolio risk, by managing the portfolio volatility level in line with a pre-defined target volatility. The Investment Adviser dynamically adjust the portfolio positioning in a balanced mix of equity, fixed income, Cash Equivalents, and commodity-linked securities, aiming to maintain a stable risk profile using an ex-ante approach.

The Fund will implement top-down, tactical views on global asset classes across (1) equity including closed-end Real Estate Investment Trusts (REITS); (2) Fixed Income Securities; and (3) Cash Equivalents. The Investment Adviser's tactical view will be implemented by accessing the following investment universe:

- Primary investments: equity securities, including closed-end Real Estate Investment Trusts (REITS); Fixed Income Securities (including investment grade, non-investment grade and unrated); and Cash Equivalents. This investment may be direct, or via derivatives. The Fund may invest in financial derivative instruments to achieve its investment objective and derivatives may be used for both investment and hedging purposes. These derivative instruments may include but are not limited to futures, options, warrants, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments and swap contracts, whether traded on or off exchange.
- Ancillary investments: other transferable securities or, to a limited extent, to UCIs including the Company's Funds and ETFs as well as China A-Shares via Stock Connect. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

Investment in equity securities will not be less than 10% of the Fund's net asset value, nor more than 90% of the Fund's net asset value.

Investment in non-investment grade bonds will not exceed 30% of the Fund's net asset value.

Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Investment Adviser integrates ESG data including ratings and scores from third parties when constructing security baskets to implement asset class views, subject to a tracking error and other constraints. The Investment Adviser uses third-party data and ESG scores and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Investment Adviser tilts the portfolio of the Fund towards high ESG performing stocks, and aims to improve the aggregated fund ESG performance versus that of the underlying equity index. In addition to ESG factors, the Investment Adviser treats climate change as a separate consideration, and also applies an additional climate change score during the tilting process.

The Investment Adviser creates – for all 11 GICS sectors within each regional equity market – individual baskets that tilt towards the top quartile ESG and low-carbon transition leaders."

Finally, the Taxonomy Regulation disclosures will be amended, as follows:

"The Fund does not take account of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G."

The Investment Adviser anticipates it will predominantly employ the following investment strategies:

- Global asset allocation: investing in securities in line with individual asset class indices. The Investment Adviser will select the indices which will be used to make tactical views globally across (1) equity securities including Real Estate Investment Trusts (REITS); (2) Fixed Income Securities; and (3) Cash Equivalents. The Investment Adviser may use on or off exchange traded derivatives such as futures or swaps to gain diversified and/or more efficient exposure to specific global markets where due to the intended allocation size or due to inefficiencies in transacting directly in the underlying securities, investing via derivatives is a preferable investment option in the Investment Adviser's opinion.
- Income generation: in addition to purchasing income generating transferable securities, additional income will be sought through the receipt of premiums as a result of writing on or off exchange traded options, which may be written on indices; single securities; or currencies.

The Investment Adviser may use additional investment strategies such as:

- Commodity-linked investments: the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) implement tactical views on commodities via exchange traded commodities (ETCs) and/or commodity linked notes.
- Use of derivatives for efficient portfolio management: the Fund may also invest in cash warrants, exchange traded and over-the-counter options, and other derivatives for efficient portfolio management (including hedging) purposes as well as for the investment purposes as outlined above.
- Use of open and closed ended UCIs, including the Company's Funds and ETFs; the Investment Adviser would primarily use UCIs and ETFs to gain diversified and/or more efficient exposure to specific global markets where due to the intended allocation size or due to inefficiencies in transacting directly in the underlying securities an UCI or ETF is a preferable investment option in the Investment Adviser's opinion.

The Fund's investments may result in exposure to emerging markets and to higher yielding securities.

The Fund is actively managed and the composition of the portfolio holdings is not constrained by any benchmarks.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Global Balanced Income Fund's investment objective it may be appropriate for investors who:

- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BALANCED RISK CONTROL FUND OF FUNDS

The Global Balanced Risk Control Fund of Funds' investment objective is to invest in units/shares of other collective investment schemes to provide an attractive level of total return, measured in Euro, while actively managing total portfolio risk. The Fund is managed within a clearly-defined, risk-controlled framework, actively managing the volatility level in line with a pre-defined target volatility. The Investment Adviser adjust the portfolio positioning in a balanced mix of equity, fixed income, Cash Equivalents, and commodity-linked securities, aiming to maintain a stable risk profile using an ex-ante approach. The Fund will implement tactical views on global fixed income and equity asset classes by investing primarily in undertakings for collective investments ("UCI") including the Company's Funds, ETFs, futures, investment funds managed by the Investment Adviser or its affiliates and other collective investment schemes.

On an ancillary basis and with a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) implement tactical views on commodities via exchange traded commodities (ETCs) and/or commodity linked notes, and may also invest in Cash Equivalents, warrants, exchange traded and over-the-counter options, and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis in equity securities, including eligible closed-end Real Estate Investment Trusts (REITS); Fixed Income Securities (including investment grade, non-investment grade and unrated); China A-Shares via Stock Connect. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund's investments may result in exposure to emerging markets and to higher yielding securities.

The Fund is actively managed and the composition of the portfolio holdings is not constrained by any benchmarks.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Global Balanced Risk Control Fund of Funds' investment objective it may be appropriate for investors who:

- seek capital appreciation over the medium term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BALANCED SUSTAINABLE FUND

The Global Balanced Sustainable Fund's investment objective is to provide an attractive level of total return, measured in Euro, by investing in a broad and balanced asset mix of both equity and Fixed Income Securities while incorporating ESG considerations and taking into account the long-term global warming objectives of the Paris Agreement. The Fund is managed within a clearly-defined, risk-controlled framework, actively managing the volatility level in line with a pre-defined target volatility. The managers adjust the portfolio positioning in a balanced mix of equity, fixed income, Cash Equivalents, and commodity-linked securities, aiming to maintain a stable risk profile using an ex-ante approach.

The Investment Adviser will implement a flexible top-down driven approach to identify investment opportunities across the permissible investment universe.

Sustainability factors are considered by the Investment Adviser during both the investment and research process to limit exposure to Sustainability Risks and seek out investment opportunities. These criteria may include, but are not limited to, climate change, carbon emissions, water scarcity, waste management, biodiversity, labour management, gender diversity, health & safety, product safety, data privacy & security, executive remuneration, board independence, shareholder rights, and bribery and corruption.

In relation to this Fund, "Sustainable" means that the Investment Adviser, in its discretion, integrates ESG considerations in its investment decision-making as further detailed below. The Investment Adviser may engage company management around corporate governance practices as well as what it deems to be materially important environmental or social issues facing a company in order to ensure that the target companies follow good governance practices.

The Investment Adviser shall not knowingly include the following companies in the investment universe companies:

- associated with severe ESG controversies;
- involved with controversial weapons (including civilian firearms);
- involved in gambling;
- associated with tobacco;

- that derive revenue from thermal coal and oil sands.

The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website (www.morganstanleyinvestmentfunds.com) and on www.morganstanley.com/im). The exclusions (which comprise, but are not limited to, the above exclusions) are determined by the Investment Adviser's own proprietary analysis rather than the reliance on third party analysis. However, the analysis may be supported by third party ESG controversies analysis and business involvement research. The exclusion criteria is applied to all direct investments within the Fund. The exclusion criteria will not be applied to investments in which the Investment Adviser does not have direct control of the underlying holdings, for example collective investment schemes or open-ended ETFs. The exclusion criteria is subject to periodic review and any changes will be reflected in the exclusion policy document.

Investments that are held by the Fund but become restricted after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund.

The Investment Adviser integrates ESG rating scores data from third parties when constructing security baskets to implement asset class views, subject to a tracking error and other constraints. The Investment Adviser tilts the portfolio of the Fund towards high ESG performing stocks, and aims to improve the aggregated fund ESG performance versus that of the underlying equity index. In addition to ESG factors, the Investment Adviser treats climate change as a separate consideration, and also applies an additional climate change score during the tilting process.

The Fund will take into account the long-term global warming objectives of the Paris Agreement. To reach this environmental objective the Investment Adviser's ESG integration process has two distinct climate tilts: 1) stock-specific and 2) sector-specific.

For the stock-specific, the Investment Adviser creates – for all 11 GICS sectors within each regional equity market – individual baskets that tilt towards the top quartile ESG and low-carbon transition leaders. For the sector-specific, the Investment Adviser aggregates the sector baskets subject to an overall carbon budget, aligned with a science-based climate trajectory subject to tracking error.

The Investment Adviser will also allocate 5% to 30% of the Fund for investment in assets with a measurable positive social or environmental impact (based on the Investment Adviser's methodology), alongside a competitive long-term financial return. These investments can be held directly through equity or Fixed Income Securities, or indirectly through collective investment schemes.

The aforementioned ESG criteria should result in a reduction of the investible universe (as described below) in a significantly engaging manner, and the Investment Adviser will use its best efforts to ensure that at least 90% of the issuers in the portfolio are assessed against these ESG considerations.

As noted above, the Investment Adviser uses third-party data and ESG scores and in some cases data on specific issuers, ESG themes or the exclusions noted above may not be available and/or may be estimated by the Investment Adviser using internal methodologies or reasonable estimates. The methodologies used by different data providers may also vary and may result in different scores.

The Fund's Primary investment universe includes equity securities, including eligible closed-end Real Estate Investment Trusts (REITs); Fixed Income Securities (including investment grade, non-investment grade and unrated); and Cash Equivalents. This investment may be direct, or via derivatives. The Fund may invest in financial derivative instruments for both investment and hedging purposes, including derivative instruments that may not, meet the ESG criteria noted above. These derivative instruments may include but are not limited to futures, options, warrants, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments and swap contracts, whether traded on or off exchange.

The Fund's ancillary investment universe may also invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds, and open-ended ETFs, provided that any ETFs are eligible investments for UCITS funds. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Investment Adviser may use additional investment strategies such as Commodity-linked investments which qualify as transferable securities in accordance with article 1(34) of the 2010 Law and article 2 of the Grand-Ducal Regulation of 8 February 2008. The Fund may (in accordance with the investment powers and restrictions set out in Appendix A) implement tactical views on commodities via exchange traded commodities (ETCs) and/or commodity linked notes.

The Fund may also invest in Cash Equivalents, warrants, exchange traded and over-the-counter options, and other derivatives for efficient portfolio management (including hedging) purposes as well as for the investment purposes as outlined above.

The Fund's investments may result in exposure to emerging markets and to higher yielding securities.

The Fund is actively managed and the composition of the portfolio holdings is not constrained by any benchmarks.

Taxonomy Regulation disclosure

The Fund's sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

Further information about the Fund's environmental and social characteristics can be found in Appendix G.

Profile of the typical investor

In light of the Global Balanced Sustainable Fund's investment objective it may be appropriate for investors who:

- seek capital appreciation over the medium term;
- seek a balanced investment that focuses on those asset classes the Investment Adviser finds tactically most attractive;
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

ALTERNATIVE INVESTMENT FUNDS

The following Alternative Investment Funds have the following objectives:

PARAMETRIC COMMODITY FUND

The Parametric Commodity Fund's investment objective is to provide a return equivalent to the performance of the Barclays Commodity Index 1754 denominated in U.S. Dollars (the "Index"), before all fees and expenses charged to, or incurred by, the Fund. For a further description of the Index see the section entitled Information on the Index below.

The Fund, which is passively managed, seeks to achieve its objective primarily through the use of one or more excess return swaps (the "Swap") providing the Fund with synthetic exposure to the Index. For this purpose, the Fund will hold, physically, assets that are used to finance the Swaps. However, if this is deemed to be the most efficient way to track the Index, the Fund may also invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs, which are eligible investments for UCITS under the 2010 Law.

The Fund may invest in Treasuries. The weighted average duration of the Fund will normally be less than 1 year, although this may be higher under certain market conditions.

All Swap transactions will be cash settled under the terms of the relevant contract. The Fund will not enter into Swap transactions that are settled by receipt or delivery of any physical commodity and the Fund will not hold physical commodities.

The approved counterparties to the Swap(s) as at the date of this document is Barclays Bank plc and any of its affiliates or subsidiaries that is a UCITS eligible counterparty (the "Approved Counterparty").

The Approved Counterparty may provide collateral to the Fund so that the Fund's risk exposure to the Approved Counterparty is reduced. Such collateral will be as described in the Collateral Policy as set out in Appendix B of this Prospectus.

The Fund will use currency forwards for hedging purposes only.

The Fund may also invest, on an ancillary basis (i.e., up to 30% of the Fund's net assets), in Cash Equivalents, fixed or floating rate instruments including, but not limited to, commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes, debentures and corporate bonds.

The Investment Adviser does not take sustainability risks into account in the investment decisions in respect of the Fund for the following reasons:

- (i) The Fund gains exposure to the Index through a derivative(s) as part of its investment policy;
- (ii) The Index does not consider sustainability risks, screening, exclusions, controversies, etc. as part of its methodology. Therefore, such risks will not be analysed/considered by Investment Adviser;
- (iii) The Investment Adviser does not have discretion on the Fund's exposure.

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

In light of the Parametric Commodity Fund's investment objective it may be appropriate for investors who:

- seek to have an exposure to the performance of the Index;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

Dealing Days for the Parametric Commodity Fund

Dealing Days for the Parametric Commodity Fund take into account dates on which the stock markets in New York are closed for trading and settlement or when the Index is not published or the underlying derivative market is closed. In this Prospectus references to Dealing Day in relation to the Parametric Commodity Fund mean any day except any day on which the stock markets in New York and commercial banks in Luxembourg or the United States are authorized by law or executive order to close (including Saturday and Sunday) for trading or when the Index is not published or the underlying derivative market is closed. The list of

expected "non-Dealing Days" will be available on the Company's website (www.morganstanleyinvestmentfunds.com) and will be updated in advance, at least semi-annually. However, the Directors may decide that the day before a day on which the stock markets are closed in New York or when the Index is not published and commercial banks in Luxembourg are authorized by law or executive order to close and are closed for trading would also be a "non-Dealing Day", when it is in the best interest of Shareholders.

Information on the Index

The Index is designed to reflect the performance of a diversified commodity portfolio and is utilising a systematic process implemented in accordance with a rules-based model. The Index reflects the performance of a diversified portfolio of commodity futures contracts and consists of a diverse range of index commodity components across different commodity sectors.

The Index's objective is to provide exposure to a diversified commodity portfolio which will provide broad exposure to different commodity sectors including Agriculture, Energy, Industrial Metals, Precious Metals, Livestock. A universe of commodity components is considered for inclusion in the Index and is subject to two screening criteria.

- A commodity must be sufficiently liquid to allow rebalancing trades to be implemented without affecting market prices. Liquidity is primarily measured through trading volume and open interest in the commodity futures market;
- All commodities whose futures are non-dollar denominated are removed, in order to eliminate the influence of currency movements from the Index.

These criteria result in a universe of screened commodities which are liquid enough so that Index components can be traded without affecting prices of the underlying commodity futures.

The Index is then constructed based on a system of target weights and rebalancing thresholds. Commodity index components are assigned to four tiers based on market liquidity with each commodity in each tier receiving an equal target weight. Tier 1 commodities will have highest target weights due to being the most liquid with tier 4 commodities having the lowest target weights.

In addition to the above screening criteria, two other rules are implemented with respect to the liquidity-based target weights to reduce concentration among correlated commodities:

- If two commodity components are highly correlated (e.g., Brent Crude and WTI Crude), such correlated commodities will be assigned to the adjacent lower liquidity tier (e.g., tier 1 to tier 2) resulting in lower weightings and reduced concentration risk.
- "Upstream" commodities which are refined into "downstream" commodities (e.g., crude oil refined into gasoline and heating

oil) will be assigned to the adjacent lower liquidity tier (e.g., tier 1 to tier 2) resulting in lower weightings and reduced concentration risk.

The weight of each Index component may deviate over time from the Index target weight until rebalancing rules for Index components are triggered.

Index rebalancing of component weights back to their target weights occurs on a monthly basis in 25% increments per day over the first four business days of each month, so that 100% of the index is rebalanced over the first four business days. At the end of business day four 100% of the index will have been rebalanced. This rules-based process provides opportunity to rebalance the Index components back to their target weights. The maximum exposure to any index component or aggregate exposure of index components which are highly correlated with each other is not expected to exceed 20% and the index will not make use of the increased UCITS index diversification limit of up to 35%.

For both types of rebalancing, the method requires decreasing exposure to the Index components when their weight is higher than their target weight and increasing exposure to the Index components when their weight is below their target weight. This corresponds to the Index decreasing exposure to the Index components which have demonstrated the largest relative outperformance versus the Index components, and in turn increasing exposure to the Index components which have demonstrated the largest relative underperformance. The costs associated with index rebalancing which is reviewed at least annually is anticipated to be 5 bps p.a. at the date of this Prospectus.

Barclays bank plc is the Index Sponsor. Bloomberg Index Services Limited is the index calculation agent.

Full details of the Index including the Index components can be found at the following weblink: <https://indices.cib.barclays/IM/12/en/indices/details.app;ticker=BXCS1754>.

SYSTEMATIC LIQUID ALPHA FUND

The Systematic Liquid Alpha Fund Fund's investment objective is to provide an attractive level of total return, with the potential for low correlation to traditional asset classes (bonds and equities) and a target annualized volatility of 8% over the long term. While the Fund aims to achieve positive returns and its volatility target, this is not guaranteed.

The Fund seeks to achieve its objective primarily through exposure to a diversified set of investment strategies across different asset classes, directly or indirectly, being equity securities, Fixed Income Securities (primarily of investment grade quality with no direct exposure to distressed securities), Cash Equivalents, currencies, and commodities (only indirectly). Within each asset class, the Fund

will seek exposure to different strategies in order to provide diversified returns. The allocation to the different asset classes and strategies will be based on a systematic process set by the Investment Adviser, aimed at achieving the Fund's volatility targeting. This process considers the volatility of the different strategies, the correlations between them and their correlations to equities and bonds. However, for temporary defensive purposes, during periods in which the Investment Adviser believes changes in economic, financial or political conditions make it advisable, the Investment Adviser retains the discretion to reduce the exposure of the Fund to equities, Fixed Income Securities, currencies, and commodities and invest the Fund's assets in Cash Equivalents (including Treasuries).

The Fund may gain exposure to the different strategies through UCITS-eligible indices (the "Indices") which can be accessed via financial derivative instruments (such as unfunded total return swaps or other derivatives), and to a limited extent, via units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs which are eligible investments for UCITS under the 2010 Law. The unfunded total return swaps that the Fund may use are structured to allow the Fund to receive return from the underlying index in exchange of fees. The Fund may also buy and sell futures, listed options and common stocks or other UCITS eligible asset classes.

Any information on Indices which are "financial indices" (including calculation methodologies, constituents, weightings, etc.) and any change thereof, will be made available at the following website: https://www.morganstanley.com/im/publication/msinvf/material/msinvf_systematicliquidalpha_en.pdf. Financial Indices may make use of increased diversification limits: each component of a financial Index may represent up to 20% of the Index, except that one single component may represent up to 35% of the Index where justified by exceptional market conditions, as it may be the case for highly correlated commodities (e.g., in the petroleum products sector) with regard to commodity financial Indices. Commodity markets are inherently prone to "exceptional market conditions" due to the limited universe of investable commodity futures contracts with adequate liquidity upon which a financial Index may be based. None of such Indices rebalance on an intra-day or daily basis.

The Fund may pursue exposure to a wide range of investment strategies, including without limitation:

- Value Strategies: seek to take advantage of securities that have low valuations relative to similar securities.
- Carry Strategies: seek to capture the tendency of higher-yielding assets to provide higher returns than lower-yielding assets. An asset's "carry" is defined as its return assuming that market conditions stay the same, meaning that carry is the income earned if the asset's price remains constant over the holding period.

- **Curve Strategies:** seek to benefit from structural inefficiencies often present in rate and commodity future yield curves. Different points on these curves can be impacted by excessive demand or supply stemming from structural flows from different market participants such as hedgers, producers, borrowers, or lenders.
- **Trend/Momentum Strategies:** seek to benefit from the historical tendency of assets' recent relative performance to continue, typically focusing on investments that have performed relatively well over those that have underperformed. Trend strategies are effectively aggregations of momentum strategies, taking long positions in markets with recent positive returns and short positions in those with recent negative returns. The persistence in price trends has delivered excess returns over time, including and during some abnormal market conditions.
- **Mean Reversion Strategies:** seek to benefit from the tendency of securities prices or other metrics to revert to their historical mean in a somewhat predictable fashion in a specific time window.

The Fund may invest in Treasuries.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures, swaps and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Investment Adviser does not take sustainability risks into account in the investment decisions in respect of the Fund for the following reasons:

- The Fund gains exposure to the Indices through a derivative(s) as part of its investment policy; and
- The Indices do not consider sustainability risks, screening, exclusions, contrversies, etc. as part of its methodology. Therefore, such risks will not be analysed/considered by Investment Adviser.

The Fund is actively managed and the composition of the portfolio holdings is not constrained by any benchmarks. The Fund's performance is measured against a benchmark as detailed in the Fund's KID.

Investors' attention is drawn to the higher level of leverage of the Fund and more information can be found in sections 1.3 "Methodology for Calculating the Global Exposure" and 1.5 "Risk Factors".

Investors' attention is drawn to the use of swaps in the Fund and special risk considerations applicable to the Fund can be found in section 1.5 "Risk Factors".

Taxonomy Regulation disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Profile of the typical investor

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

- seek a capital appreciation over the medium term;
- seek that portfolio volatility is managed with to a pre-defined target;
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

Dealing Days for the Systematic Liquid Alpha Fund

Dealing Days for the Systematic Liquid Alpha Fund take into account dates on which the stock markets in New York are closed for trading and settlement or when the Index is not published or the underlying derivative market is closed. In this Prospectus references to Dealing Day in relation to the Systematic Liquid Alpha Fund mean any day except any day on which the stock markets in New York and commercial banks in Luxembourg or the United States are authorized by law or executive order to close (including Saturday and Sunday) for trading or when the Index is not published or the underlying derivative market is closed. The list of expected "non-Dealing Days" will be available on the Company's website (www.morganstanleyinvestmentfunds.com) and will be updated in advance, at least semi-annually. However, the Directors may decide that the day before a day on which the stock markets are closed in New York or when the Index is not published and commercial banks in Luxembourg are authorized by law or executive order to close and are closed for trading would also be a "non-Dealing Day", when it is in the best interest of Shareholders.

1.3 Methodology for Calculating the Global Exposure

The Management Company has implemented a risk management process for each Fund in order to comply with its obligations under the UCITS Directive. The Management Company may calculate global exposure for the Fund using the commitment approach, relative VaR or absolute VaR.

The selection of the appropriate methodology for calculating global exposure is made by the Management Company based upon a consideration of the following factors:

- i. whether the Fund engages in complex investment strategies which represent a significant part of the Fund's investment policy;
- ii. whether the Fund has a significant exposure to exotic derivatives; and/or
- iii. whether the commitment approach adequately captures the market risk of the Fund's portfolio.

The selection of relative VaR or absolute VaR will depend on whether the Fund has a leverage free Reference Portfolio which reflects its investment strategy. The Reference Portfolios adopted by the Funds are standard, widely-used industry indices.

Classification of a Fund will depend on a consideration of each of these factors and the fact that a Fund is authorised to use derivative instruments for investment purposes will not automatically, in isolation, mean that the global exposure of that Fund will be calculated using either relative or absolute VaR approach.

The table below sets out the methodology which the Management Company has adopted for each Fund in order to calculate the global exposure and the expected leverage for the Funds using the VaR approach, as defined by the UCITS Regulations.

Expected Leverage is provided using the 'sum of the notionals of the derivatives used' methodology as per the ESMA Guidelines 10-788.

Expected leverage is provided at a Fund level, however the Fund's actual level of leverage may be higher or lower than the disclosed expected leverage in the table below. Specific hedged share classes may have higher or lower levels of expected leverage than indicated at the Fund level.

Expected leverage is not a regulatory limit on the Fund and there may be no action as a result of the actual leverage being higher or lower than the disclosed expected leverage.

Derivatives usage is consistent with the investment objective and the risk profile of the Fund. The 'sum of notionals' calculation does not allow netting or hedging. The expected leverage using the 'sum of notionals' calculation may not reflect the investment risk associated with the derivative positions held in the Fund.

Additional information about the realized range of leverage employed by the relevant Funds can be found in the Annual Report.

Fund Name	Global Exposure Methodology	Reference Portfolio	Expected Gross Leverage
American Resilience Fund	Commitment	N/A	N/A
Asia Opportunity Fund	Commitment	N/A	N/A
Asian Property Fund	Commitment	N/A	N/A
Calvert Global Equity Fund	Commitment	N/A	N/A
Calvert Global High Yield Bond Fund	Commitment	N/A	N/A
Calvert Sustainable Climate Aligned Fund	Commitment	N/A	N/A
Calvert Sustainable Climate Transition Fund	Commitment	N/A	N/A
Calvert Sustainable Developed Europe Equity Select Fund	Commitment	N/A	N/A
Calvert Sustainable Developed Markets Equity Select Fund	Commitment	N/A	N/A
Calvert Sustainable Diversity, Equity and Inclusion Fund	Commitment	N/A	N/A
Calvert Sustainable Emerging Markets Equity Select Fund	Commitment	N/A	N/A
Calvert Sustainable Global Green Bond Fund	Relative VaR	ICE BofA Green Bond Index	100%
Calvert Sustainable US Equity Select Fund	Commitment	N/A	N/A
Calvert US Equity Fund	Commitment	N/A	N/A
China A-shares Fund	Commitment	N/A	N/A
China Equity Fund	Commitment	N/A	N/A
Counterpoint Global Fund	Commitment	N/A	N/A
Developing Opportunity Fund	Commitment	N/A	N/A
Emerging Leaders Equity Fund	Commitment	N/A	N/A
Emerging Markets Corporate Debt Fund	Relative VaR	JP Morgan Corporate Emerging Markets Bond Index – Broad Diversified	100%
Emerging Markets Debt Fund	Relative VaR	JP Morgan Emerging Market Bond Index Global Diversified	100%
Emerging Markets Debt Opportunities Fund	Relative VaR	J.P. Morgan Emerging Markets Bond Hard Currency/ Local Currency 50-50 Index	200%
Emerging Markets Domestic Debt Fund	Relative VaR	JP Morgan Government Bond Index- Emerging Markets Global Diversified Index	100%
Emerging Markets Fixed Income Opportunities Fund	Relative VaR	JP Morgan Emerging Markets Blended Index – Equally Weighted	100%
Emerging Markets Local Income Fund	Relative VaR	J.P. Morgan Government Bond Index: Emerging Market (JPM GBI-EM) Global Diversified Index	350%
Euro Bond Fund	Relative VaR	Bloomberg Euro Aggregate A- or Better Index	100%
Euro Corporate Bond Fund	Relative VaR	Bloomberg Euro-Aggregate Corporates Index	100%
Euro Corporate Bond – Duration Hedged Fund	Absolute VaR	N/A	150%
Euro Strategic Bond Fund	Relative VaR	Bloomberg Euro Aggregate Index	100%

Fund Name	Global Exposure Methodology	Reference Portfolio	Expected Gross Leverage
Europe Opportunity Fund	Commitment	N/A	N/A
European Fixed Income Opportunities Fund	Absolute VaR	N/A	160%
European High Yield Bond Fund	Relative VaR	ICE BofA ML European Currency High Yield 3% Constrained Ex-Sub Financials Index	100%
European Property Fund	Commitment	N/A	N/A
Floating Rate ABS Fund	Absolute VaR	N/A	100%
Global Asset Backed Securities Focused Fund	Absolute VaR	N/A	160%
Global Asset Backed Securities Fund	Absolute VaR	N/A	160%
Global Balanced Defensive Fund	Absolute VaR	N/A	100%
Global Balanced Fund	Absolute VaR	N/A	100%
Global Balanced Income Fund	Absolute VaR	N/A	100%
Global Balanced Risk Control Fund of Funds	Absolute VaR	N/A	50%
Global Balanced Sustainable Fund	Absolute VaR	N/A	100%
Global Bond Fund	Relative VaR	Bloomberg Global Aggregate Index	100%
Global Brands Equity Income Fund	Relative VaR	MSCI World Index	200%
Global Brands Fund	Commitment	N/A	N/A
Global Convertible Bond Fund	Relative VaR	Refinitiv Global Convertible Index Global Focus Hedged USD	100%
Global Core Equity Fund	Commitment	N/A	N/A
Global Credit Fund	Relative VaR	Bloomberg Global Aggregate Corporate Index	160%
Global Credit Opportunities Fund	Absolute VaR	N/A	160%
Global Endurance Fund	Commitment	N/A	N/A
Global Fixed Income Opportunities Fund	Absolute VaR	N/A	160%
Global Focus Property Fund	Commitment	N/A	N/A
Global High Yield Bond Fund	Commitment	N/A	N/A
Global Infrastructure Fund	Commitment	N/A	N/A
Global Insight Fund	Commitment	N/A	N/A
Global Macro Fund	Absolute VaR	N/A	450%
Global Opportunity Fund	Commitment	N/A	N/A
Global Permanence Fund	Commitment	N/A	N/A
Global Property Fund	Commitment	N/A	N/A
Global Quality Fund	Commitment	N/A	N/A
Global Sustain Fund	Commitment	N/A	N/A
Indian Equity Fund	Commitment	N/A	N/A
International Resilience Fund	Commitment	N/A	N/A
Japanese Equity Fund	Commitment	N/A	N/A

Fund Name	Global Exposure Methodology	Reference Portfolio	Expected Gross Leverage
Japanese Small Cap Equity Fund	Commitment	N/A	N/A
NextGen Emerging Markets Fund	Commitment	N/A	N/A
Parametric Commodity Fund	Commitment	N/A	N/A
Parametric Emerging Markets Fund	Commitment	N/A	N/A
Parametric Global Defensive Equity Fund	Commitment	N/A	N/A
Saudi Equity Fund	Commitment	N/A	N/A
Short Duration US Government Income Fund	Absolute VaR	N/A	125%
Short Maturity Euro Bond Fund	Commitment	N/A	N/A
Short Maturity Euro Corporate Bond Fund	Relative VaR	Bloomberg Euro Aggregate Corporate 1-3 Year Index	110%
Sustainable Asia Equity Fund	Commitment	N/A	N/A
Sustainable Emerging Markets Equity Fund	Commitment	N/A	N/A
Sustainable Euro Corporate Bond Fund	Relative VaR	Bloomberg Euro-Aggregate Corporates Index	100%
Sustainable Euro Strategic Bond Fund	Relative VaR	Bloomberg Euro Aggregate Index	130%
Systematic Liquid Alpha Fund	Absolute VaR	N/A	600%
Tailwinds Fund	Commitment	N/A	N/A
US Advantage Fund	Commitment	N/A	N/A
US Core Equity Fund	Commitment	N/A	N/A
US Dollar Corporate Bond Fund	Relative VaR	Bloomberg US Corporate Index	110%
US Dollar Short Duration Bond Fund	Commitment	N/A	N/A
US Dollar Short Duration High Yield Bond Fund	Relative VaR	Bloomberg US High Yield 1-5 Year Cash Pay 2% Issuer Capped Index	100%
US Focus Property Fund	Commitment	N/A	N/A
US Growth Fund	Commitment	N/A	N/A
US High Yield Bond Fund	Commitment	N/A	N/A
US High Yield Middle Market Bond Fund	Relative VaR	Bloomberg US Corporate High Yield Index	100%
US Insight Fund	Commitment	N/A	N/A
US Permanence Fund	Commitment	N/A	N/A
US Property Fund	Commitment	N/A	N/A
US Value Fund	Commitment	N/A	N/A
Vitality Fund	Commitment	N/A	N/A

1.4 Financial Indices

Funds may, in accordance with their investment policy and the investment restrictions under Appendix A paragraph 2.6, invest in financial derivative instruments based on financial indices which are eligible in accordance with article 9 of the Grand-Ducal Regulation of 8 February 2008.

To the extent consistent with the prevailing investment policy, Funds may obtain exposure, in the discretion of the Investment Adviser, to indices which may not be named specifically in the investment policy, subject always to compliance with the ESMA guidelines 2014/937 on ETF and other UCITS issues. In particular, the Funds will not invest in financial derivative instruments based on financial indices with a daily or intra-day rebalancing frequency or in indices whose methodology for the selection and the re-balancing of their components is not based on a set of pre-determined rules and objective criteria.

1.5 Risk Factors

This Section of the Prospectus explains the risks that apply to the Funds – investors must read these risk considerations before investing in any of the Company’s Funds.

The risk factors set out in Section 1.5.1 General Risk Factors may apply to all of the Company’s Funds. The table in Section 1.5.2 sets out which of the risk factors set out the Specific Risk Factors section that may potentially also apply to the Company’s Funds at the time of the issue of this Prospectus based on their respective investment objectives. Specific risk factors may apply to each Fund to varying degrees, and the exposure to specific risk factors will also vary over time. Additionally, risks may arise in the future which could not have been foreseen in advance. This Prospectus will be regularly updated to reflect any changes to the risk factors set out in Section 1.5.1 General Risk Factors and Section 1.5.2 Specific Risk Factors.

1.5.1. GENERAL RISK FACTORS

GENERAL RISK

Past performance is not a guide to future performance and the Funds should be regarded as medium to long-term investments. Investments in Funds are subject to market fluctuations and other risks inherent to investing in securities and other financial instruments. The price of the Shares can go down as well as up. An investor may not get back the amount he has invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to a Sales Charge, as further disclosed in Section 2.1 “Share Class Description” or transaction charge.

INVESTMENT OBJECTIVE

There is no guarantee or representation that the investment objective of the Company or a Fund will be achieved. Depending on market conditions and the macroeconomic environment, it may become more difficult or even impossible to achieve investment objectives.

MARKET RISK

Investors may experience losses due to changes in the level of one or more market prices, rates, indices, or other market factors. Market risk cannot be eliminated through diversification, though it can be hedged against. Sources of market risk include, but are not limited to, recessions, political turmoil, changes in monetary policies, outbreak of disease epidemics or pandemics, etc.

CURRENCY RISK

The Funds may invest in investments denominated in a number of different currencies other than the Reference Currency in which the Funds are denominated. Changes in foreign currency exchange rates between the Reference Currency and the currency in which the investments are denominated will cause the value of the investments expressed in the Reference Currency to differ.

Funds that have the ability to invest in overseas assets may be subject to currency volatility including currency devaluation. Currency movements may impact the value of the Fund’s assets. The Funds may use derivatives to reduce this risk. However, certain market conditions may make it impossible or uneconomical to hedge against currency risk. The Company may in its discretion choose not to hedge against currency risk within the Funds.

Share Class Currency

Certain Share Classes of certain Funds may be denominated in a currency other than the Reference Currency of the relevant Funds. Therefore changes in foreign currency exchange rates between the Reference Currency and the currency in which these Share Classes are denominated (the “**Share Class Currency**”) will cause the value of Shares held in such Funds to differ.

LIQUIDITY RISK

Liquidity risk exists when some of the Funds’ investments may be difficult to sell due to unforeseen economic or market conditions, such as the deterioration in the creditworthiness of an issuer. In case of a large redemption request, the Funds may consequently not be able to sell certain assets to meet the redemption requirement or may not be able to sell certain assets at levels close to current valuation price.

COUNTERPARTY RISK

The Funds may enter into transactions with counterparties (which could be a company, government or other institution), thereby exposing them to the counterparties’ creditworthiness and their ability to perform and fulfil their financial obligations. There exists a risk that the obligation of such counterparties will not be satisfied. This risk may arise at any time the Funds’ assets are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. The weaker the financial strength of a counterparty, the greater the risk of that party failing to satisfy its obligations. The Net Asset Value of the Funds could be affected by any actual or anticipated breach of the party’s obligations, while the income of the Fund would be affected only by an actual failure to pay, which is known as a default.

In addition, the Funds may enter into contracts with service providers and other third party contractors (the “Service Providers”). This risk means that in certain circumstances (including but not limited to force majeure events) the Service Providers may not be able to perform or fulfil their contractual obligations to the Funds. This could result in periods where the normal trading activity of the Funds may be affected or disrupted.

DEPOSITARY RISK

Country risk linked to the custody

The Management Company may decide from time to time to invest in a country where the Depositary has no correspondent. In such a case, the Depositary will have to identify and appoint after

due diligence a local custodian. This process may take time and deprive in the meantime the Management Company of investment opportunities.

In the same manner, the Depositary shall assess on an ongoing basis the custody risk of the country where the Company's assets are safe-kept. The Depositary may identify from time to time a custody risk in a jurisdiction and recommends to the Management Company to realize the investments immediately. In doing so, the price at which such assets will be sold may be lower than the price the Company would have received in normal circumstances, potentially affecting the performance of the relevant Funds.

Central Securities Depositaries

In accordance with the UCITS Directive, entrusting the custody of the Company's assets to the operator of a securities settlement system ("SSS") is not considered as a delegation by the Depositary and the depositary is exempted from the strict liability of restitution of assets. A central securities depositary ("CSD") being a legal person that operates a SSS and provides in addition other core services should not be considered as a delegate of the Depositary irrespective of the fact that the custody of the Company's assets have been entrusted to it. There is however some uncertainty around the meaning to be given to such exemption, the scope of which may be interpreted narrowly by some supervisory authorities, notably the European supervisory authorities.

CUSTODY RISK

The Assets of the Company are entrusted to the Depositary for safekeeping and are identified in the Depositary's books as belonging to the Company. Securities held by the Depositary are segregated from other assets of the Depositary which mitigates but does not exclude the risk of non-restitution in case of bankruptcy of the Depositary. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy.

The Depositary may not keep all the assets of the Company itself but may use a network of sub-custodians which are not always part of the same group of companies as the Depositary. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the Depositary.

The Funds may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Funds that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Depositary will have no liability.

INFLATION/DEFLATION RISK

Inflation risk refers to the possibility of a reduction in the value of the income or assets as inflation decreases the value of money. The real value of a Fund's portfolio could decline as inflation increases. Deflation risk is the risk that prices throughout the economy may

decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.

REGULATORY RISK

The Funds are domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, some of the Funds may be registered in non-EU jurisdictions and, as a result, may be subject, without any notice to the Shareholders in the Funds concerned, to more restrictive regulatory regimes. In such cases the Funds will abide by these more restrictive requirements. This may prevent the Funds from making the fullest possible use of the investment limits. Regulators are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Funds could be substantial and adverse.

THE WITHDRAWAL OF THE UK FROM THE EU

As at the date of this Prospectus, the exit by the United Kingdom from the EU ("Brexit") has resulted in global economic and political uncertainty and it is unknown what the impact shall be on the economic or political environment of each of the United Kingdom and the EU.

On 29 March 2017, the UK's government gave notice of its intention to withdraw from the EU pursuant to Article 50 on the Treaty of the EU. On 31 January 2020 at 11 p.m. (London Time), the UK exited from the EU. On the basis of the agreement for an orderly withdrawal of the UK from the EU, the UK benefited from a transitional period, pursuant to which all EU Treaties and EU legislation still applied to the UK. This transitional period ended on 31 December 2020. Since the end of this transitional period, the UK is considered a third country.

An agreement determines the terms of the UK's relationship with the EU, including the terms of trade between the UK and the EU, after such transitional period. In addition, the UK is required to negotiate with other countries with which the UK previously traded on the basis of agreements concluded with the EU (having been members thereof).

The UK's exit from the EU may result in regulatory change for the UK since a significant portion of the UK regulatory regime is derived from EU directives and regulations. Such uncertainty could lead to a high degree of economic and market disruption and uncertainty. It is not possible to ascertain how long this period will last and the impact it will have within the EU markets, including market value and liquidity, as well as the assets held by the Funds. Such conditions could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company, the Management Company, the Investment Advisers, and other transaction parties. The Company, the Management Company, and the Investment Advisers cannot

predict when political stability will return, or when the market conditions relating to the assets held by the Funds will stabilise.

MiFID II

The EU's second Markets in Financial Instruments Directive ("MiFID II"), laws and regulations introduced by Member States of the EU to implement MiFID II, and the EU's Markets in Financial Instruments Regulation ("MiFIR"), came into force on 3 January 2018. MiFID II and MiFIR imposed new regulatory obligations and costs on the Management Company and the Investment Advisers. This may have a negative impact on the Management Company, the Investment Advisers, the Company and/or the Funds.

In particular, MiFID II and MiFIR require certain standardised OTC derivatives to be executed on regulated trading venues. The overall impact of MiFID II and MiFIR on the Company remains highly uncertain and it is unclear how the OTC derivatives markets will adapt to these new regulatory regimes.

In addition, MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID II extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments such as DRs, ETFs and certificates that are traded on regulated trading venues as well as to cover non-equities such as bonds, structured finance products, emission allowances and derivatives. The increased transparency regime under MiFID II, together with the restrictions on the use of "dark pools" and other trading venues, will mean a wealth of new information relating to price discovery becoming available. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on the Net Asset Value.

SHARE CLASSES

Suspension of Share Class Dealing

Investors are reminded that in certain circumstances their right to redeem or switch Shares may be suspended (see Section 2.3 Redemption of Shares and Section 2.4 Conversion of Shares).

Currency Hedged Share Classes

The Management Company may decide from time to time for some or all of the Funds to issue Currency Hedged Share Classes.

Currency Hedged Share Classes utilise hedging strategies to seek to limit exposure to currency movements between a Fund's Reference Currency, Investment Currencies or Index Currencies and the Currency Hedged Share Class is denominated in. The hedging strategy of the Currency Hedged Share Class does not seek to eliminate all currency exposure. Exchange rate risk exists as a result of movements between the currency of denomination of the Currency Hedged Share Class and the valuation currencies of the assets in which the Fund invests where these currencies differ from the Reference currency of the Fund.

Such hedging strategies used by the Investment Adviser(s) (or any agent appointed by the Investment Adviser(s)) may not completely eliminate exposure to such currency movements. There can be no guarantee that hedging strategies will be successful. Mismatches may result between a Fund's currency position and the Currency Hedged Share Classes issued for that Fund. Investors should be aware that certain market events or circumstances could result in the Investment Adviser(s) no longer being able to perform hedging transactions or that such strategies may no longer be economically viable.

The use of hedging strategies may substantially limit Currency Hedged Share Class shareholders from benefiting if the currency of the Currency Hedged Share Class falls against a Fund's Reference Currency, Investment Currencies or Index Currencies. The costs of hedging and all gains/losses from hedging transactions are borne separately by the shareholders of the respective Currency Hedged Share Classes. Investors should also note that the hedging of Currency Hedged Share Classes is distinct from any hedging strategies that the Investment Adviser(s) may implement at the Fund level.

Non-deliverable Currencies

Several Emerging Markets, Frontier Markets and other non-developed markets' currencies are traded as cash settled, non-deliverable forwards, because they are either thinly traded or non-convertible. As such, where the Hedged Share Class Currency is non-deliverable the share class will be denominated, for subscription and redemption purposes, in a currency other than the Hedged Share Class Currency. For example, a Colombian Peso NAV Hedged Share Class may be subscribed or redeemed in U.S. Dollar or Euro but the Fund's Reference Currency would be hedged to the Colombian Peso, notwithstanding it being denominated in U.S. Dollar or Euro. Investors should note that additional exchange rate risk exists as a result of the movements between the non-deliverable currency denomination of the Currency Hedged Share Class and the valuation currencies of the assets in which the Fund invests where these currencies differ from the Reference currency of the Fund and the currency in which the shareholder subscribes or redeems.

Renminbi ("RMB") Currency Risk

Since 2005, the RMB exchange rate is no longer pegged to the U.S. Dollar. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. RMB exchange rate is also subject to exchange control policies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Republic of China. As the exchange rates are influenced by government policy and market forces, the exchange rates for RMB against other currencies, including U.S. dollar and HK dollar, are susceptible to movements based on

external factors. Accordingly, the investment in Classes denominated in RMB may be adversely affected by the fluctuations in the exchange rate between RMB and other foreign currencies.

RMB is currently not freely convertible and RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and restrictions imposed by the Chinese government. The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions.

Classes denominated in RMB, both hedged and unhedged, participate in the offshore RMB (CNH) market, which allows investors to freely transact RMB (CNH) outside of mainland China. Classes denominated in RMB will have no requirement to remit RMB (CNH) to onshore RMB (CNY). Non-RMB based investors (e.g. Hong Kong investors) in Classes denominated in RMB may have to convert HK dollar or other currency(ies) into RMB when investing in Classes denominated in RMB and subsequently convert the RMB redemption proceeds and/or dividend payment (if any) back to HK dollar or such other currency(ies). Investors will incur currency conversion costs and you may suffer losses depending on the exchange rate movements of RMB relative to HK dollar or such other currencies.

Even if the Fund aims to pay redemption monies and/or distributions of RMB denominated Classes in RMB, the Management Company may, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Directors, pay redemption monies and/or distributions in U.S. Dollar. There is also a risk that payment of redemption monies and/or distributions in RMB may be delayed when there is not sufficient amount of RMB for currency conversion for settlement of the redemption monies and distributions in a timely manner due to the exchange controls and restrictions applicable to RMB. In any event, redemption monies will be paid within one calendar month upon receipt of all properly completed documentation.

Discretionary Distributing Share Class

The Discretionary Distributing Share Class may pay distributions from capital or may charge all or part of the Fund's fees and expenses to the capital of the Fund. Dividends paid out of capital amount to a return or withdrawal of part of a Shareholder's original investment or from any capital gains attributable to that original investment. Such dividends may result in an immediate decrease of the Net Asset Value per Share. Where part or all of the fees and expenses of a Share Class is charged to the capital of that Share Class the result will be a reduction of the capital that the Fund has available for investment in the future and capital growth may be reduced. In periods of declining markets, the compounding effect of such dividend distributions may lead to a material erosion of the Share Class Net Asset Value.

AUTOMATIC EXCHANGE OF INFORMATION

Common Reporting Standards ("CRS")

The Company should be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "Standard") and its Common Reporting Standard (the "CRS") as set out in the Luxembourg law dated 18 December 2015 implementing the CRS (the "CRS Law").

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution.

Without prejudice to other applicable data protection provisions as set out in the Company documentation, since 30 June 2017, the Company has been required to annually report to the Luxembourg tax administration personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the "Reportable Persons") and (ii) Controlling Persons of certain non-financial entities ("NFEs") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "CRS Information"), will include personal data related to the Reportable Persons.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Company with the CRS Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Company will process the CRS Information for the purposes as set out in the CRS Law. The investors undertake to inform their Controlling Persons, if applicable, of the processing of their CRS Information by the Company.

The investors are further informed that the CRS Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax administration annually for the purposes set out in the CRS Law. The Luxembourg tax administration may in turn, acting as data controller, further disclose such information to foreign tax authorities.

Any investor that fails to comply with the Company's documentation requests may be charged, for non-compliance under the CRS Law, with any penalties imposed on the Company attributable to such investor's failure to provide the CRS Information and the Company may, in its sole discretion, redeem the Shares of such investor.

TAXATION

Investors should note that the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to withholding or other taxes imposed by the authorities in that market. Tax and law practice in certain countries into which a Fund invests or may invest in the future may not be clearly established, may be subject to change or

may be subject to change with retrospective effect. It is possible therefore that the Funds could become subject to additional taxation in such countries that is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

Foreign Account Tax Compliance (“FATCA”)

The Foreign Account Tax Compliance provisions of the 2010 Hiring Incentives to Restore Employment Act (“HIRE Act”) generally impose a new reporting and 30% withholding tax regime with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends. As a general matter, the new rules are designed to require U.S. persons’ direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the Internal Revenue Service (“IRS”). The 30% withholding tax regime applies if there is a failure to provide required information regarding U.S. ownership.

Under the terms of FATCA, the Company will be treated as a Foreign Financial Institution. As such, the Company may require all investors to provide documentary evidence of their tax residence and all other information, including personal data, deemed necessary to comply with the above mentioned regulations (the “**FATCA Information**”).

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the investor may suffer material losses.

Therefore and despite anything else herein contained and as far as permitted by Luxembourg law, the Company shall have the right to:

- require any Shareholder or beneficial owner of the Shares to promptly furnish the FATCA Information as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- divulge any element of the FATCA Information to any tax authority, as may be required by law or such authority;
- withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Company; and
- withhold the payment of any dividend or redemption proceeds to a Shareholder until the Company holds sufficient information to enable it to determine the correct amount to be withheld.

As described in Section 2.2 “Issue of Shares, Subscription and Payment Procedure” the Directors have resolved to prevent the ownership of Shares by any U.S. Person (as defined pursuant to Regulation S under the U.S. Securities Act of 1933, as amended), provided however that no provisions of this Prospectus shall prevent a Morgan Stanley entity or any of its affiliates or subsidiaries from owning Shares.

Each prospective investor should consult its own tax advisers regarding the requirements under FATCA with respect to its own situation.

POTENTIAL CONFLICTS OF INTEREST

The Management Company, the Investment Adviser(s) and other affiliates may effect transactions in which they have, directly or indirectly, an interest which may involve a potential conflict with the Management Company’s duty to the Company. Neither the Management Company nor the Investment Adviser(s) nor other affiliates shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions and none of their fees shall be adjusted (unless otherwise provided), provided that the Management Company and the Investment Adviser(s) (where applicable) will ensure that:

- such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed;
- such transactions are on arm’s length terms;
- the Management Company uses due care in the selection of brokers or dealers and that they are suitably qualified in the circumstances;
- the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;
- the Management Company monitors such transactions to ensure compliance with its obligations; and
- the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer are disclosed in the Company’s annual report.

The Depositary shall not carry out activities with regard to the Company or the Management Company that may create conflicts of interest between the Company, the Shareholders, the Management Company and itself, unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Shareholders.

Potential conflicting interests or duties may arise because the Management Company or the Investment Adviser(s) may have invested directly or indirectly in the Company. More specifically, the Management Company and Investment Adviser, under the organisational and conduct rules applicable to them, must take all appropriate steps to identify and to prevent or manage conflicts of interest.

CYBER SECURITY

The Funds and their service providers are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Funds and their service providers use to service the Funds' operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Funds and their service providers. Cyber-attacks against or security breakdowns of the Funds or their service providers may adversely impact the Funds and their shareholders, potentially resulting in, among other things, financial losses; the inability of Funds' shareholders to transact business and the Funds to process transactions; inability to calculate the Funds' NAV; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Funds may incur additional costs for cyber security risk management and remediation purposes. In addition, cyber security risks may also impact issuers of securities in which the Funds invest, which may cause the Funds' investments in such issuers to lose value. There can be no assurance that the Funds or their service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

EPIDEMICS/PANDEMICS/OUTBREAKS RISK

The performance of the Shares depends on the performance of the investments of the Funds, which could also be adversely affected by the effects of epidemics, pandemics or outbreaks of communicable diseases. In response to intensifying efforts to contain epidemics, pandemics or outbreaks of communicable diseases, governments around the world may take a number of actions, such as prohibiting residents' freedom of movement, encouraging or ordering employees to work remotely from home, and banning public activities and events, among others. Any prolonged disruption of businesses could negatively impact financial conditions. The performance of the Shares could be adversely affected to the extent that any of these epidemics, pandemics or outbreaks harms the economy in general.

IBOR REFORM

The term "IBOR" refers generally to any reference rate or benchmark rate that is an "interbank offered rate" intended to reflect, measure or estimate the average cost to certain banks of

borrowing or obtaining unsecured short-term funds in the interbank market in the relevant currency and maturity. IBORs have been used extensively as reference rates across the financial markets for many years. A Fund may invest in securities or derivatives whose value or payments are derived from an IBOR.

Pursuant to recommendations of the Financial Stability Board (FSB), financial institutions and other market participants have been working to promote the development of alternative reference rates (ARRs). ARRs are in response to concerns over the reliability and robustness of IBORs. In July 2017, the UK Financial Conduct Authority (FCA) announced that the FCA would no longer use its influence or powers to persuade or compel contributing banks to make IBOR submissions after the end of 2021. Following this statement, other regulators across the globe have made announcements encouraging financial institutions and other market participants to transition from the use of IBORs to the use of new ARRs by the end of 2021. This has raised concerns about the sustainability of IBORs beyond 2021.

Regulatory and industry initiatives concerning IBORs may result in changes or modifications affecting investments referencing IBORs.

SUSTAINABILITY RISK

Sustainability Risk means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of a Fund. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risk and/or an opportunity to maximize the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. Sustainability Risks generally revolve around the following factors including but not limited to:

- Climate change risks including both global warming driven by human emissions of greenhouse gases and the resulting large scale shifts in weather patterns. Risks associated with climate change include transition risks (policy changes, reputational impacts and shifts in market preferences, norms and technology) and physical risk (physical impacts of climate change such as droughts, floods or thawing ground).
- Natural resource risks including rising costs from resource scarcity or resource usage taxes and systemic risk from biodiversity loss.
- Pollution and waste risks including liabilities associated with contamination and waste management costs.
- Human capital risks including declining employee productivity, attrition and turnover costs, pandemics and supply chain reputational risks or disruption.

- Community risks factors including loss of license to operate, operational disruptions caused by protests or boycotts and systematic inequality and instability.
- Security and safety risks such as consumer security, data privacy and security.

In general, where a Sustainability Risk occurs in respect of an asset, there could be a negative impact on, or an entire loss of, its value. Such a decrease in the value of an asset may occur for a company in which a Fund invests as a result of damage to its reputation resulting in a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company's management team may be diverted from furthering its business into dealing with the Sustainability Risk event, including changes to business practices and dealing with investigations and litigation. Sustainability Risk events may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by companies to which the relevant Fund is exposed may also be adversely impacted by a Sustainability Risk event.

A Sustainability Risk trend may arise and impact a specific investment or may have a broader impact on an economic sector (e.g. IT or health care), geography (e.g. emerging market) or political region or country.

1.5.2. SPECIFIC RISK FACTORS

In addition to the general risks, as set out above, that should be considered for all Funds, there are other risks that investors should also bear in mind when considering investment into specific Funds. The table below shows which specific risk warnings may apply to each of the Funds based on their respective investment objective and policy. Investors' attention is drawn to the fact that these risks will only arise in the event the Funds invest in the relative instruments as may be decided from time to time by the Investment Adviser.

The specific risk factors that have been listed as relevant to a Fund in the table below are those identified as the material risks applicable to each of the Funds at the time of the issue of this Prospectus. Specific risk factors may apply to each Fund to varying degrees, and the exposure to specific risk factors will also vary over time. Additionally, risks may arise in the future which could not have been foreseen in advance. This Prospectus will be regularly updated to reflect any changes to the risk factors set out in Section 1.5.1 General Risk Factors and Section 1.5.2 Specific Risk Factors.

Strategy	Fund Name	Equity Risk	Fixed Income Risk	Asset Allocation Funds	Absolute Return Strategies	Financial Derivative Instruments	EPM Techniques
Equity	American Resilience Fund	✓	✓			✓	
Equity	Asia Opportunity Fund	✓				✓	✓
Equity	Asian Property Fund	✓	✓			✓	
Equity	Calvert Global Equity Fund	✓				✓	
Equity	Calvert Sustainable Climate Aligned Fund	✓					
Equity	Calvert Sustainable Climate Transition Fund	✓	✓			✓	
Equity	Calvert Sustainable Developed Europe Equity Select Fund	✓					
Equity	Calvert Sustainable Developed Markets Equity Select Fund	✓					
Equity	Calvert Sustainable Diversity, Equity and Inclusion Fund	✓					
Equity	Calvert Sustainable Emerging Markets Equity Select Fund	✓					
Equity	Calvert Sustainable US Equity Select Fund	✓					
Equity	Calvert US Equity Fund	✓				✓	
Equity	China A-shares Fund	✓	✓			✓	✓
Equity	China Equity Fund	✓	✓			✓	✓
Equity	Counterpoint Global Fund	✓	✓			✓	✓
Equity	Developing Opportunity Fund	✓	✓			✓	✓
Equity	Emerging Leaders Equity Fund	✓	✓			✓	✓
Equity	Europe Opportunity Fund	✓	✓			✓	✓
Equity	European Property Fund	✓	✓			✓	
Equity	Global Brands Equity Income Fund	✓	✓			✓	✓
Equity	Global Brands Fund	✓	✓			✓	
Equity	Global Core Equity Fund	✓	✓			✓	✓
Equity	Global Endurance Fund	✓	✓			✓	✓
Equity	Global Focus Property Fund	✓	✓			✓	
Equity	Global Infrastructure Fund	✓	✓			✓	
Equity	Global Insight Fund	✓	✓			✓	✓
Equity	Global Opportunity Fund	✓	✓			✓	✓
Equity	Global Permanence Fund	✓	✓			✓	✓
Equity	Global Property Fund	✓	✓			✓	
Equity	Global Quality Fund	✓	✓			✓	

Strategy	Fund Name	Equity Risk	Fixed Income Risk	Asset Allocation Funds	Absolute Return Strategies	Financial Derivative Instruments	EPM Techniques
Equity	Global Sustain Fund	✓	✓			✓	
Equity	Indian Equity Fund	✓	✓			✓	
Equity	International Resilience Fund	✓	✓			✓	
Equity	Japanese Equity Fund	✓	✓			✓	
Equity	Japanese Small Cap Equity Fund	✓	✓			✓	
Equity	NextGen Emerging Markets Fund	✓	✓			✓	
Equity	Parametric Emerging Markets Fund	✓				✓	
Equity	Parametric Global Defensive Equity Fund	✓	✓			✓	
Equity	Saudi Equity Fund	✓				✓	✓
Equity	Sustainable Asia Equity Fund	✓	✓			✓	
Equity	Sustainable Emerging Markets Equity Fund	✓	✓			✓	
Equity	Tailwinds Fund	✓	✓			✓	✓
Equity	US Advantage Fund	✓	✓			✓	✓
Equity	US Core Equity Fund	✓	✓			✓	✓
Equity	US Focus Property Fund	✓	✓			✓	
Equity	US Growth Fund	✓	✓			✓	✓
Equity	US Insight Fund	✓	✓			✓	✓
Equity	US Permanence Fund	✓	✓			✓	✓
Equity	US Property Fund	✓	✓			✓	
Equity	US Value Fund	✓					
Equity	Vitality Fund	✓	✓			✓	✓
Bond	Calvert Global High Yield Bond Fund		✓			✓	
Bond	Calvert Sustainable Global Green Bond Fund		✓			✓	✓
Bond	Emerging Markets Corporate Debt Fund		✓			✓	✓
Bond	Emerging Markets Debt Fund		✓			✓	✓
Bond	Emerging Markets Debt Opportunities Fund		✓			✓	✓
Bond	Emerging Markets Domestic Debt Fund		✓			✓	✓
Bond	Emerging Markets Fixed Income Opportunities Fund		✓			✓	✓
Bond	Emerging Markets Local Income Fund		✓			✓	✓
Bond	Euro Bond Fund		✓			✓	✓
Bond	Euro Corporate Bond Fund		✓			✓	✓

Investment Funds	Emerging Markets	Eurozone	Real Estate Industry	Infrastructure	Commodities	Volatility Strategies	High Yield	ABS/MBS	CoCos	SPACs	Investments in Mainland China	Investments in Saudi Arabia
	✓	✓									✓	
	✓											
	✓	✓									✓	
	✓	✓										
	✓		✓									✓
	✓	✓	✓			✓						
	✓		✓	✓								✓
✓	✓	✓	✓								✓	
✓	✓	✓									✓	
	✓	✓	✓							✓	✓	
	✓	✓								✓	✓	
			✓									
✓		✓	✓									
	✓	✓								✓	✓	
✓	✓									✓	✓	
✓	✓		✓							✓	✓	
		✓	✓									
			✓									
✓	✓	✓								✓		
		✓					✓					
	✓	✓										
✓	✓						✓	✓	✓			
	✓	✓					✓	✓	✓			
	✓	✓					✓	✓	✓			
	✓	✓				✓	✓					
✓	✓						✓	✓	✓			
	✓	✓				✓	✓					
✓		✓						✓	✓			
✓	✓	✓					✓	✓	✓			

Strategy	Fund Name	Equity Risk	Fixed Income Risk	Asset Allocation Funds	Absolute Return Strategies	Financial Derivative Instruments	EPM Techniques
Bond	Euro Corporate Bond – Duration Hedged Fund		✓			✓	✓
Bond	Euro Strategic Bond Fund		✓			✓	✓
Bond	European Fixed Income Opportunities Fund	✓	✓		✓	✓	✓
Bond	European High Yield Bond Fund		✓			✓	✓
Bond	Floating Rate ABS Fund		✓		✓	✓	✓
Bond	Global Asset Backed Securities Focused Fund		✓			✓	✓
Bond	Global Asset Backed Securities Fund		✓			✓	✓
Bond	Global Bond Fund		✓			✓	✓
Bond	Global Convertible Bond Fund	✓	✓			✓	✓
Bond	Global Credit Fund		✓			✓	✓
Bond	Global Credit Opportunities Fund		✓		✓	✓	✓
Bond	Global Fixed Income Opportunities Fund	✓	✓			✓	✓
Bond	Global High Yield Bond Fund		✓			✓	
Bond	Global Macro Fund	✓	✓		✓	✓	✓
Bond	Short Duration US Government Income Fund		✓			✓	✓
Bond	Short Maturity Euro Bond Fund		✓			✓	✓
Bond	Short Maturity Euro Corporate Bond Fund		✓			✓	✓
Bond	Sustainable Euro Corporate Bond Fund		✓			✓	✓
Bond	Sustainable Euro Strategic Bond Fund		✓			✓	✓
Bond	US Dollar Corporate Bond Fund		✓			✓	✓
Bond	US Dollar Short Duration Bond Fund		✓			✓	✓
Bond	US Dollar Short Duration High Yield Bond Fund		✓			✓	✓
Bond	US High Yield Bond Fund		✓			✓	
Bond	US High Yield Middle Market Bond Fund		✓			✓	✓
Asset Allocation	Global Balanced Defensive Fund	✓	✓	✓		✓	✓
Asset Allocation	Global Balanced Fund	✓	✓	✓		✓	✓
Asset Allocation	Global Balanced Income Fund	✓	✓	✓		✓	✓
Asset Allocation	Global Balanced Risk Control Fund of Funds	✓	✓	✓		✓	✓
Asset Allocation	Global Balanced Sustainable Fund	✓	✓	✓		✓	✓

Investment Funds	Emerging Markets	Eurozone	Real Estate Industry	Infrastructure	Commodities	Volatility Strategies	High Yield	ABS/MBS	CoCos	SPACs	Investments in Mainland China	Investments in Saudi Arabia
✓	✓	✓					✓	✓	✓			
✓	✓	✓					✓	✓	✓			
✓	✓						✓	✓	✓			
✓	✓	✓					✓	✓	✓			
✓		✓				✓		✓				
✓	✓	✓					✓	✓				
✓	✓	✓					✓	✓				
	✓	✓					✓	✓	✓			
	✓	✓					✓	✓	✓			
✓	✓	✓					✓	✓	✓			
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✓	✓	✓					✓	✓	✓			
		✓					✓					
	✓	✓			✓	✓	✓	✓				
✓								✓				
✓		✓						✓	✓			
✓	✓	✓					✓	✓	✓			
✓	✓	✓					✓	✓	✓			
✓	✓	✓					✓	✓	✓			
✓							✓	✓				
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✓	✓						✓	✓	✓			
		✓					✓					
✓	✓						✓	✓	✓			
✓	✓	✓	✓		✓		✓	✓			✓	
✓	✓	✓	✓		✓		✓	✓			✓	
✓	✓	✓	✓		✓		✓	✓			✓	
✓	✓	✓			✓		✓	✓				
✓	✓	✓	✓		✓		✓	✓			✓	

Strategy	Fund Name	Equity Risk	Fixed Income Risk	Asset Allocation Funds	Absolute Return Strategies	Financial Derivative Instruments	EPM Techniques
Alternative	Parametric Commodity Fund		✓			✓	
Alternative	Systematic Liquid Alpha Fund	✓	✓	✓	✓	✓	

FIXED INCOME RISK

Funds which invest in Fixed Income Securities will be subject to interest rate and credit risk, and the additional risks associated with securities such as high-yield Fixed Income Securities or asset-backed securities.

Fixed Income Securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). A Fund may invest in Fixed Income Securities which are interest rate sensitive. An increase in interest rates will generally reduce the value of Fixed Income Securities, while a decline in interest rates will generally increase the value of Fixed Income Securities. The performance of such Funds will therefore depend in part on the ability to anticipate and respond to such fluctuations on market interest rates, and to utilise appropriate strategies to maximise returns, while attempting to minimise the associated risks to investment capital.

Interest Rate Risk

The values of Fixed Income Securities held by the Funds will vary with changes in interest rates and such variation may affect Share prices accordingly. The value of Fixed Income Securities will generally increase when interest rates fall and decrease when interest rates rise. Fixed Income Securities with greater interest rate sensitivity and longer maturities are usually subject to greater fluctuations in value in response to interest rate changes.

Certain sub-funds seek to reduce their exposure to interest rate risk through duration hedging. Duration hedged sub-funds utilise hedging strategies to seek to limit their exposure to interest rate movements. Sensitivity to interest rate movements may vary by Fund. The sensitivity of the Funds to interest rate movements may affect the result of the duration hedging.

Such hedging strategies used by the Investment Adviser(s) (or any agent appointed by the Investment Adviser) may not completely eliminate exposure to such interest rate movements. There can be no guarantee that hedging strategies will be successful. Investors should be aware that certain market events or circumstances could result in the Investment Adviser(s) no longer being able to perform

hedging transactions or that such strategies may no longer be economically viable.

The use of hedging strategies may substantially limit shareholders in duration hedged Funds from benefiting if interest rates fall.

Credit Risk

Funds which invest in Fixed Income Securities are subject to the risk that an issuer will fail to make timely payments of interest and principal. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer, are all factors that may have an adverse impact on an issuer's credit quality and security values.

High Yield Securities

Funds may invest in higher yielding Fixed Income Securities which are subject to greater credit and market risk than lower yielding securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. Such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity and as a result may be less liquid than lower yielding securities.

Negative Yields

Certain Funds may invest in fixed income instruments which, in certain cases, may trade at a negative yield. When a Fund invests in a negative yielding fixed income instrument, the value of the Fund's investment will reduce on a daily basis by the amount of the negative yield and the Fund may not get back its full investment.

Downgrading Risk

The credit ratings given to Fixed Income Securities may be subject to changes. The downgrading of a rated Fixed Income Security could decrease the value and liquidity of the security, particularly

Investment Funds	Emerging Markets	Eurozone	Real Estate Industry	Infrastructure	Commodities	Volatility Strategies	High Yield	ABS/MBS	CoCos	SPACs	Investments in Mainland China	Investments in Saudi Arabia
					✓							
✓	✓	✓			✓							

in a thinly traded market, and also increase the price volatility. The Company may continue to invest in securities that are downgraded after purchase.

Non-Investment Grade Securities

Non-investment grade securities have a lower credit rating than investment grade securities or are unrated and are generally considered to have a higher credit risk than more highly rated securities. In addition, non-investment grade securities tend to be more volatile than higher rated securities, so that adverse economic events may have a greater impact on the prices of non-investment grade securities than on higher rated securities. The market for securities which are rated below investment grade, have a lower credit rating or are unrated generally has lower liquidity and is less active than that for higher rated securities and a Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by such factors as adverse publicity and investor perceptions. Certain Funds may invest in securities rated below investment grade.

Unrated Securities

Some Funds may invest in securities that are not rated. As they are unrated these securities may be subject to greater price volatility and Funds investing in these securities must rely on the Investment Adviser(s)' credit assessment of such securities and are in particular subject to a high credit risk.

Sovereign Debt

Certain countries and government entities rely more heavily than others upon foreign investment and the international markets for funding. Investment in sovereign debt issued or guaranteed by such countries or government entities involves a high degree of risk as the issuing entity may be unable or unwilling to repay the principal or interest when due in accordance with the terms of the debt. As a result, there may be a risk that the issuing entity will reschedule repayment or default on the debt.

Asset-Backed Securities

Some Funds may invest in Asset-Backed Securities (ABS) which are Fixed Income Securities backed or collateralised by the income stream from an underlying pool of assets such as credit cards, automobile loans, student loans, small business loans, mortgages and receivables. An ABS may be usually issued in a number of different

tranches, or classes, with varying characteristics depending on the riskiness of the underlying assets assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate.

The higher the risk contained in the tranche, the more the ABS is likely to have to pay by way of income. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other Fixed Income Securities. ABS are often exposed to extension risk (where obligations on the underlying assets are not paid on time) and prepayment risks (where obligations on the underlying assets are paid earlier than expected), these risks may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

Mortgage-Backed Securities

Some Funds may invest in Mortgage-Backed Securities (MBS) which are Fixed Income Securities backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. This type of security is commonly used to redirect the interest and principal payments from the pool of mortgages to investors. An MBS may be issued in a number of different tranches, or classes, with varying characteristics depending on the riskiness of the underlying mortgages assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate. The higher the risk contained in the tranche, the more the MBS pays by way of income. MBS may be subject to prepayment risk which is the risk that, in a period of falling interest rates, borrowers may refinance or otherwise repay principal on their mortgages earlier than scheduled. When this happens, certain types of MBS will be paid off more quickly than originally anticipated and the Funds will have to invest the proceeds in securities with lower yields. MBS may also be subject to extension risk, which is, the risk that, in a period of rising interest rates, certain types of MBS will be paid off more slowly than originally anticipated and the value of these securities will fall. As a result, the average duration of the Funds' portfolios may increase. The value of longer-

term securities generally changes more in response to changes in interest rates than that of shorter-term securities. Because of prepayment risk and extension risk, MBS may react differently to changes in interest rates than other Fixed Income Securities. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain MBS. In some circumstances investments in MBS may become less liquid and in the case of a large redemption or change in market liquidity the Investment Adviser may not be able to sell the securities to meet the redemption requirement or may only be able to sell the securities at a price which negatively affects the Funds' Net Asset Value. In addition, the market price for MBS may be volatile.

Uniform Mortgage-Backed Securities

On June 3, 2019, under the Federal Housing Finance Agency's "Single Security Initiative" intended to maximize liquidity for both Fannie Mae and Freddie Mac mortgage-backed securities in the To Be Announced ("TBA") security market, Fannie Mae and Freddie Mac expect to start issuing uniform mortgage-backed securities ("UMBS") in place of their current separate offerings of TBA-eligible mortgage-backed securities. The effects of the issuance of UMBS on the market for mortgage-backed securities are uncertain even though UMBS are not new instruments but rather a harmonisation of already existing instruments. The Funds' ability to invest in UMBS to the same degree that the Funds currently invests in Fannie Mae and Freddie Mac MBS is also uncertain. While Fannie Mae and Freddie Mac have taken steps to have a smooth transition to the issuance of UMBS, there may be factors which affect the timing of the transition or the ability of market participants, including the Funds, to adapt to the issuance of UMBS.

Coupon swaps, agency swaps, and term swaps

Certain Funds may use coupon swaps, agency swaps and/or term swaps.

For example, in a coupon swap, a Fund may buy a Fannie Mae TBA trade and simultaneously sell a differently priced Fannie Mae TBA trade, which will result in the Fund having exposure to the spread between the price of each of those trades.

Whereas by using an agency swap, a Fund will gain exposure to the spread between the prices of the same coupon and maturity of one agency (e.g. Fannie Mae) and another agency (e.g. Ginnie Mae).

Finally, a term swap is a paired TBA trade that gives a Fund exposure to the spread in prices between different terms of MBS.

Consequently, in addition to the risks related to the underlying investments in MBS, the use of such instruments also presents the risks linked to the use of swaps, as further described below in the sub-section "Financial Derivative Instruments".

Non-Agency Mortgage-Backed Securities

Non-agency Mortgage-Backed Securities are MBS issued by private institutions. These securities have no credit guarantee other than the quality of the loans behind them, and any other structural credit protection provided by the terms of the bond deal they belong to. Investing in non-agency mortgage-backed securities generally entails credit, prepayment, extension, liquidity and default risk.

Mortgage Dollar Rolls

Mortgage Dollar Rolls are instruments whereby a Fund sells MBS for delivery in the current month and simultaneously contracts to repurchase substantially similar (same type, coupon and maturity) MBS on a specified future date. During that roll period, the Fund forgoes principal, and interest paid on the MBS. The Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase as well as by the interest earned on the cash proceeds of the initial sales. Cash proceeds may be invested in instruments that are permissible investments for the Fund.

The use of mortgage rolls is a speculative technique involving the risk that the market value of the MBS the Fund is committed to buy may decline below the price of the MBS the Fund has sold. Such transactions may furthermore involve leverage.

Funds are only allowed to enter into covered Mortgage Dollar Rolls for which there is an offsetting cash position or permissible liquid assets earmarked or in a segregated account to secure the obligation for the forward commitment to buy MBS or a Cash Equivalent security position that matures on or before the forward settlement date of the dollar roll transaction.

In addition to the risks related to the underlying investments in MBS, the use of such instrument also presents the risks linked to the use of forwards, as further described below in the sub-section "Financial Derivative Instruments".

Convertible Bonds

Convertible bonds are subject to a number of risks including risk arising from both debt and equity securities, and to convertible securities specific risks. Convertible bond valuations are sensitive to macro-economic risk, interest rate risk, spread risk, default risk, and equity risk. In addition, convertible bonds issuers may be downgraded. In certain market conditions convertible bonds may be less liquid than other asset classes.

Contingent Convertible Debt Securities

Characteristics of the contingent convertible debt securities

Certain Funds may invest in contingent convertible debt securities which are Fixed Income Securities that may pay an attractive coupon and which may be converted into equity securities or suffer capital losses by decreasing the face value if pre-specified events

occur (“trigger events”), depending in particular of the capital ratio levels of the issuer of such contingent convertible debt securities (“trigger levels”). Contingent convertible debt securities may be issued as perpetual instruments which may (or may not) be called at pre-determined date.

Specific risks associated with the related contingent convertible debt securities

Trigger levels and conversion risks: contingent convertible debt securities are complex financial instruments in respect of which, trigger levels (and thus exposure to conversion risk) differ widely. In particular, conversion may cause the value of the investment to fail significantly and irreversibly, and in some cases even to zero.

Unknown and yield related risks: contingent convertible debt securities are also innovative financial instruments and their behaviour under a stressed financial environment is thus unknown. This increases uncertainty in the valuation of contingent convertible debt securities and the risks of potential price contagion, as well as the volatility and also the liquidity risks of the entire contingent convertible securities asset class. In certain circumstances finding a ready buyer for contingent convertible bonds may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it. Furthermore, because of the often attractive yield of contingent convertible debt securities, it still remains unclear whether holders of contingent convertible debt securities have fully considered the underlying risks of these instruments.

Write-down and capital structure inversion risks: the investment in contingent convertible debt securities may also result in material losses to the relevant Fund as the contingent convertible debt security may suffer capital market loss by decreasing the face value (“write-down”) on the occurrence of certain trigger events. In this event, holders of contingent convertible debt securities will suffer losses ahead of holders of equity securities issued by the same issuer, contrary to the classic order of capital structure hierarchy where equity holders are expected to suffer the loss before debt holders.

Call extension risk: as contingent convertible debt securities may be perpetual instruments which may not be called on the predefined call date and investors may not receive return of principal on the call date or at any date.

Coupon cancellation risk: In addition, some contingent convertible debt securities are also subject to the risk of discretionary cancellation of coupon payments by the issuer at any point, for any reason, and for any length of time.

Odd Lots

Certain of the Funds’ securities may be valued by an outside pricing service approved by the Management Company. The pricing service may utilize a matrix system or other model incorporating attributes such as security quality, maturity and coupon as the

evaluation model parameters, and/or research evaluations by its staff, including review of broker-dealer market price quotations in determining what it believes is the fair valuation of the portfolio securities valued by such pricing service. Pricing services generally value securities assuming orderly transactions of an institutional round lot size, but the Company’s Funds may hold or transact in such securities in smaller, odd lot sizes (“odd lots”). Odd lots often trade at lower prices than institutional round lots.

EQUITY RISK

Funds which invest in equity securities are subject to the volatility of the capital markets on which these securities are traded and may incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and catastrophic events.

Depositary Receipts

Depositary receipts (ADRs, GDRs and EDRs) are instruments that represent shares in companies trading outside the markets in which the depositary receipts are traded. Accordingly whilst the depositary receipts are traded on Recognised Exchanges, there may be other risks associated with such instruments to consider – for example the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks.

Small and mid-sized companies

The stock prices of small and mid-sized companies tend to be more volatile than the stock prices of larger companies. Smaller companies may have limited resources and product ranges and therefore may be more sensitive to changes in market conditions. The stocks of smaller companies are traded less frequently and in lower volumes than those of larger companies and this may contribute to greater stock price volatility.

Participatory Notes

Equity funds may generate exposure to certain equity securities in certain countries by purchasing a participatory note. A participatory note, while generating the desired equity security exposure, adds counterparty risk exposure to the issuer of the participatory note.

ASSET ALLOCATION FUNDS

The Asset Allocation Funds provide the Investment Adviser with wide discretion to allocate between different asset classes. From time to time, the Asset Allocation Funds may have significant exposure to a single or limited number of fixed income or equity asset classes. Accordingly, the relative relevance of the risks associated with equity securities, Fixed Income Securities and derivatives will fluctuate over time.

ABSOLUTE RETURN STRATEGIES

The intention of an absolute return strategy is to deliver positive returns through a market cycle. However there can be no guarantee that such returns or capital will be achieved.

FINANCIAL DERIVATIVE INSTRUMENTS

Funds may, in accordance with their investment policy, invest in financial derivative instruments including but not limited to European and American options including single security, currency, basket and index calls and puts; single security, equity index and volatility futures; interest rate, Eurodollar and treasury futures; contract for differences (CFDs); single currency swaps; credit default swaps; interest rate swaps; Consumer Price Index (CPI) swaps, TRS, coupon swaps, agency swaps, term swaps, structured notes, warrants, currency forwards, Mortgage Dollar Rolls and participatory notes.

While the prudent use of derivatives may be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. If so provided in its investment policy, a Fund may engage various investment strategies with a view to reducing certain of its risks and/or enhancing return. These strategies may include the use of derivative instruments such as options, warrants, swaps and/or futures. Such strategies may be unsuccessful and incur losses for the Fund.

Derivatives also involve specific risks. These risks relate specifically to market risks, management risk, counterparty risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, interest rates and indices.

The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Fund.

Market Risk

This is a general risk that applies to all investments, including derivatives, meaning that the value of a particular derivative may go down as well as up in response to changes in market factors. A Fund may also use derivatives to gain or short exposure to some investments. In extreme market conditions the use of derivatives may, theoretically, give rise to unlimited losses for the Fund. However, an investor's loss is always limited to the amount invested in the Fund. Should such extreme market conditions occur, investors could, in certain circumstances, therefore face minimal or no returns, or may even suffer a loss on their investment in that particular Fund.

Liquidity Risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price

(however, the Company will only enter into OTC derivatives if it is allowed to liquidate such transactions at any time at fair value).

Counterparty Risk

The Funds may enter into transactions in OTC markets, which will expose the Funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Funds could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative transactions may be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However this risk is limited in view of the investment restrictions laid down in Section 3 – “Derivatives and efficient portfolio management techniques” of Appendix A – Investment Powers and Restrictions.

Collateral Management Risk

Counterparty risk arising from investments in OTC financial derivative instruments is generally mitigated by the transfer or pledge of collateral in favour of the Fund. However, transactions may not be fully collateralised. Fees and returns due to the Fund may not be collateralised. If a counterparty defaults, the Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Fund to meet redemption requests.

A Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

Margin posted by Funds

Where a Fund enters into a derivatives transaction, it will generally be required as a matter of law and/or contract to deliver cash or assets as margin (often referred to as ‘collateral’) to protect the relevant broker from the risk of a potential default by the Fund. Where the broker receives margin on a title transfer basis (ie the broker becomes the owner of the margin outright), or exercises a right of reuse, on the broker's default or insolvency the Fund will

be an unsecured creditor and may not be able to recover the full value of the amount owed to it in full or at all. The Fund will not be entitled to exercise voting, consent or other similar rights attached to assets it provides as margin on a title transfer basis or in respect of which a right of use has been exercised, unless and until equivalent assets have been returned. In the event that a broker fails to return equivalent assets when due, the Fund may be unable to perform its settlement obligations under a hedging or other transaction it has entered into in relation to such assets.

Counterparty Replacement Risk

The Global Brands Equity Income Fund is expected to take exposure via a swap on options on equity securities and/or equity indices. This swap is highly customised and gaining this exposure is dependent on the availability of a counterparty. This Fund intends to use Morgan Stanley International Plc, a company affiliated to the Investment Adviser, as a counterparty to the swap. If Morgan Stanley International Plc is unable to continue as counterparty to the swap, the Fund may be unable to contract with another counterparty for an equivalent swap. This may mean that the Fund is unable to implement its investment strategy fully and, in particular, the income enhancement component of the strategy may be affected resulting in a reduction of income. This may also mean that the Fund cannot meet its investment objective to deliver regular income.

Leverage Risk

Derivative instruments allow the Fund to gain a larger exposure to asset values than the amount the Fund invests. As a result, losses on derivative instruments can exceed the amount invested in them which may significantly reduce the value of the Fund as a whole.

Other Risks

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals who often are acting as counterparties to the transaction to be valued. The Management Company will seek to obtain independent valuations for OTC derivatives in order to limit this risk.

Derivatives do not always perfectly or even highly correlate to or track the value of the securities, rates or indices they are designed to track. Consequently, a Fund's use of derivative techniques may not always be an effective means of following a Fund's investment objective. In cases where derivatives are being used to hedge risk, it is possible that the offsetting investments will not experience price changes that are perfectly inversely correlated. As a result, hedged portfolios may be exposed to basis risk – the risk that the portfolio will realize excess gains or losses in the execution of the hedging strategy.

Risks associated with OTC (over-the-counter) Derivatives

An OTC derivative is a derivative instrument which is not listed and traded on a formal exchange such as FTSE or NYSE but is traded by counterparties who negotiate directly with one another over computer networks and by telephone. The counterparty risk on any transaction involving OTC derivative instruments may not exceed 10% of the assets of a Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.

The Management Company ensures that appropriate risk monitoring is in place for any OTC transactions.

Clearing

When a Fund enters into cleared derivatives transactions (whether exchange traded or over-the-counter), and a clearing broker it uses for such transactions is declared to be in default by an EU central counterparty ("EU CCP"), the EU CCP will try to transfer ("port") the Fund's transactions and assets to another clearing broker or, if this cannot be achieved, the EU CCP will terminate the Fund's transactions. The early termination of transactions in this context may result in significant losses to the Fund. In the event that other parties in the clearing structure default (e.g., a central counterparty, a custodian, settlement agent or any clearing broker instructed by the Fund's broker), the Fund may not receive all of its assets back and its rights may differ depending on the law of the country in which the party is incorporated and the specific protections that that party has put in place.

Risks associated with the Control and Monitoring of Derivatives

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity securities and Fixed Income Securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

There is no guarantee that a particular forecast will be correct or that an investment strategy which deploys derivatives will be successful.

WARRANTS

Certain Funds may invest in equity linked securities or equity linked instruments such as warrants. The gearing effect of investment in warrants and the volatility of warrant prices make the

risk attached to the investment in warrants higher than in the case with investment in equities.

EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

A Fund may enter into securities lending transactions subject to the conditions and limits set out in Section 3 – “Derivatives and efficient portfolio management techniques” of Appendix A – Investment Powers and Restrictions. If the other party to a securities lending transaction should default, the Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

Securities lending transactions also entail liquidity risks due, *inter alia*, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Fund may also incur operational risks such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

The Funds will only use securities lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Fund. When using such techniques, the Funds will comply at all times with the provisions set out section 3 – “Derivatives and efficient portfolio management techniques” of Appendix A – Investment Powers and Restrictions. The risks arising from the use of securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. The use of securities lending transactions is generally not expected to have a material adverse impact on a Fund’s performance, subject to the Risk Factors described above.

Counterparty risk arising from investments in EPM techniques is generally mitigated by the transfer or pledge of collateral in favour of the Fund. However, transactions may not be fully collateralised. Fees and returns due to the Fund may not be collateralised. If a counterparty defaults, the Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Fund could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Fund to meet redemption requests.

A Fund may incur custody risk, due to the risk that the value of the collateral held with the Depositary or a sub-custodian decreases through the operational risk attributed to the Depositary or sub-custodian. These operational risks include but are not limited to, insolvency, negligence, misuse of the collateral, poor administration or inadequate record keeping.

A Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

The Company may enter into securities lending transactions with other companies in the same group of companies as the Investment Adviser. Affiliated counterparties, if any, will perform their obligations under any securities lending transactions concluded with a Fund in a commercially reasonable manner. In addition, the Investment Adviser will select counterparties and enter into transactions in accordance with best execution principles. However, investors should be aware that the Investment Adviser may face conflicts between its role and its own interests or that of affiliated counterparties.

INVESTMENT FUNDS

Open-ended and Closed-end Collective Investment Vehicles

Some Funds may invest in other collective investment vehicles. 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 and administration expenses of the underlying collective investment vehicles.

In the case of investment in closed-end investment vehicles, shares may at times be acquired only at market prices representing premiums to their net asset values or disposed of at market prices representing discounts to their net asset value. Shares of such closed-end collective investment vehicles will be valued at their last available stock market value.

Collective investment vehicles established in different jurisdictions may not always provide an equivalent level of protection. This may expose the Funds investing in them to additional risks, for instance, less frequent opportunities for disposal, delayed payment or non-receipt of settlement monies, or less protective judicial structures.

Investment in Third Party Funds

Certain Funds may invest in shares of collective investment schemes including ETFs, Closed Ended Funds and UCITS funds – collectively, underlying funds. These Funds may be advised or

sub-advised by the Investment Adviser, an affiliate adviser or by an unaffiliated adviser. The ability of a Fund which invests in shares of an underlying fund or funds to achieve its investment objective may be directly related to the ability of the underlying funds to meet their investment objectives. Funds which invest in underlying funds will be exposed to the risks to which the underlying funds are exposed. These risks may include liquidity risk where the ability of the Fund to meet the liquidity requirements of its investment is directly linked to the ability of the underlying funds to meet their liquidity requirements.

EMERGING MARKETS, FRONTIER MARKETS AND OTHER NON-DEVELOPED MARKETS

In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have, for the most part, substantially less volume than more developed markets, and securities of many companies may be less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of certain of the Funds.

Settlement systems in Emerging Markets, Frontier Markets and other non-developed markets may be less well organised than in developed markets. Thus there may be a risk that settlement may be delayed and that cash or securities of the Funds may be in jeopardy because of failures of or defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased, or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the “**Counterparty**”) through whom the relevant transaction is effected might result in a loss being suffered by Funds investing in non-developed market securities.

The Company will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that this risk will be successfully eliminated for the Funds, particularly as Counterparties operating in Emerging Markets, Frontier Markets and other non-developed markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company’s claims in any of these events.

Investments in the Russian Federation are subject to certain heightened risks with regard to the ownership and custody of securities. In these countries the ownership is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary). No certificates representing ownership of such companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of effective state regulation and enforcement, the Company could lose its registration and ownership of such securities through fraud, negligence or even mere oversight. However, in recognition of such risks, the relevant correspondent to the Depositary follows increased “due diligence” procedures. The correspondent has entered into agreements with company registrars and will only permit investment in those companies that have adequate registrar procedures in place. In addition, the settlement risk is minimised as the correspondent will not release cash until registrar extracts have been received and checked. In addition, Fixed Income Securities in these countries have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default whilst such assets are in its custody.

Other risks could include, by way of example, controls on foreign investment and limitations on the repatriation of capital and the exchange of local currencies for global reserve currencies such as US\$, the impact on the economy as a result of religious or ethnic unrest. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration or approval and may be subject to currency exchange control restrictions which may increase the risks of investing in certain emerging markets.

In addition investments in India may be subject to the withdrawal or non-renewal of the Investment Adviser’s Foreign Institutional Investor licence.

Corporate and Sovereign Debt

Both corporate and sovereign debt will be subject to high risk in emerging markets, frontier markets and other non-developed markets will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation.

The issuer or governmental authority that controls the repayment of such a non-developed country’s debt may not be able or willing to

repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Company and/or the Management Company may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country.

In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.

INVESTMENTS IN CHINA

Certain Funds may invest in securities or instruments which have exposure to the Chinese market (where “China” or the “PRC” means the People’s Republic of China (except where the context requires, and only for the purpose of the Prospectus, references to the “PRC” or “China” do not include Hong Kong, Macau and Taiwan)). The exposure may be obtained via the Qualified Foreign Investor (“QFI”) scheme or the Stock Connect. Other than risks involved in investments in emerging markets, as well as other risks of investments generally, as described in this section, which are applicable to investments in China, investors should also note the additional specific risks below. Investments in China involve a risk of a total loss due to factors such as government action or inaction, market volatility and reliance on primary trading partners.

Investments via QFI

Under current China law and regulations, investments in the Chinese domestic securities market (China A-Shares and other domestic securities as permitted) can be made by or through holders of a QFI licence subject to applicable Chinese regulatory requirements (the “QFI Regulations”). The Funds may invest in China indirectly via access products such as participation notes, equity linked notes or similar financial instruments where the underlying assets consist of securities issued by companies quoted on regulated markets in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on regulated markets in China (“Access Products”). The relevant Funds will not satisfy the criteria to qualify as a QFI and to gain direct exposure to the China A-Shares market, investment will be made through managers or issuers of such schemes, notes or instruments who possess QFI licenses.

Access Products are designed to mirror the returns on the underlying China A-Shares and are generally subject to the terms and conditions which reflect the underlying QFI Regulations and may also be subject to the terms and conditions imposed by the issuers. These terms may lead to delays in implementing the Investment Adviser’s investment strategy due to the restrictions they may place on the issuer acquiring or disposing of the securities underlying the Access Products or on the implementation of realisations and payment of realisation proceeds to the Fund.

Furthermore, Access Products can be illiquid as there may be no active market in such securities. In the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. In addition, there is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Fund to suffer a loss.

In addition, upon request from CSRC, QFIs should report information about its offshore hedging positions and other information related to its securities and futures investment in the PRC. PRC stock exchanges are also entitled to require QFIs to report the positions held by its underlying investors in securities, derivatives and shares if there is any abnormal trading which may seriously affect the normal trading order or suspected violations of applicable laws and regulations. Therefore, the position of the Fund in the Access Products may be disclosed to the PRC regulators or PRC stock exchanges upon their requests.

QFI Regulatory Risks

Actions of the relevant manager or issuer which violate the QFI Regulations could result in the revocation of, or other regulatory action against, the relevant QFI licence as a whole, and may impact on the Fund’s exposure to Chinese securities as the relevant scheme, note or instrument may be required to dispose its holdings in Chinese securities. In addition, a Fund may also be impacted by the rules and restrictions under the QFI Regulations (including rules on permissible investment scope, shareholding restrictions, and repatriation of principal and profits), which may consequently have an adverse impact on the liquidity and/or investment performance of the Fund.

The QFI Regulations which regulate investments by QFIs in China may be subject to further revisions in the future. The application and interpretation of the QFI Regulations are relatively untested before PRC courts and there is limited certainty as to how they will be applied. There is no assurance whether future revisions to the QFI Regulations or application of the QFI Regulations may or may not adversely affect a Fund’s investments in China.

QFI Custody Risks

Where a Fund invests in China A-Shares or other securities in China through a QFI, such securities will be maintained by one or more custodian bank(s) (the “QFI Custodian”) appointed by the QFI in accordance with the QFI Regulations and the relevant China A-Shares will be held through a securities account with the China Securities Depository and Clearing Corporation Limited (“ChinaClear”). Such account may be opened based on the naming convention of “QFI – Clients’ Money”, “QFI – Fund Name” or “QFI – Client Name”, and not in the sole name of such Fund, and the assets within such account may be held for and on behalf of clients of the QFI including but not limited to such Fund. The Chinese regulators have affirmed their recognition of the concepts of nominee holders and beneficiary owners, and the QFI Regulations also specify that the assets held within such account

belongs to the client or the fund and should be independent from the assets of the QFI or QFI Custodian. However, if the QFI does not open a designated account specifically for the Fund and only put Fund's money in an omnibus account (i.e., the account named as "QFI-Clients' Money"), the assets of such Fund held within such account may be subject to a risk of being mingled with other clients and cannot be segregated from each other. If the Fund purchases Access Products issued by the QFI, the purchase proceeds will be treated as part of the assets of the QFI, rather than client money under the management of the QFI.

Investors should also note that cash deposited in the cash account of the relevant Funds with the QFI Custodian may not be segregated but may be a debt owing from the QFI Custodian to the relevant Funds as a depositor. Such cash may be co-mingled with cash belonging to other clients of the QFI Custodian.

Investments in China A-Shares via Stock Connect

The Stock Connect (currently comprising of the Shanghai Stock Connect and the Shenzhen Stock Connect), is a securities trading and clearing linked program developed by the Hong Kong Exchanges and Clearing Limited ("**HKEX**"), the Shanghai Stock Exchange ("**SSE**"), the Shenzhen Stock Exchange ("**SZSE**") and ChinaClear with an aim to achieve the mutual stock market access between the PRC and Hong Kong. The Shanghai Stock Connect and the Shenzhen Stock Connect are operated independently from each other, but are similar in respect to the fundamental principles, operational mechanism and regulatory framework.

The Stock Connect comprises a Northbound trading link and a Southbound trading link. Under the Northbound trading link, Hong Kong and overseas investors, such as the Company, through its Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited ("**SEHK**"), respectively in Shanghai (for trading under the Shanghai Stock Connect) and Shenzhen (for trading under the Shenzhen Stock Connect), may be able to trade certain eligible China A-Shares listed on SSE/SZSE by routing orders to SSE/SZSE. Under the Southbound trading link, investors in the PRC will be able to trade certain stocks listed on SEHK. Under a joint announcement issued by the Securities and Futures Commission ("**SFC**") and the China Securities Regulatory Commission ("**CSRC**") on 10 November 2014, the Shanghai Stock Connect commenced trading on 17 November 2014. The Shenzhen Stock Connect commenced trading on 5 December 2016.

Under the Stock Connect, the Company, through its Hong Kong brokers may trade certain eligible shares listed on SSE/SZSE. As for trading on SSE, the eligible China A-Shares include all the constituent stocks from time to time of the SSE 180 Index and the SSE 380 Index, and all the SSE listed A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK (companies that

issue both A-Shares on SSE/SZSE and H-Shares on SEHK are referred to as "A+H Shares Companies"). As for trading on SZSE, the eligible China A-Shares include all constituent shares of the SZSE Constituent Index and the SZSE Small/Mid Cap Innovation Index issued by a company with a market capitalisation of RMB6 billion or above, all eligible shares on the ChiNext markets, and China A-Shares issued by A+H Shares Companies listed on SZSE. SSE/SZSE-listed shares which are not traded in Renminbi ("**RMB**") and SSE/SZSE-listed shares which are included in the "risk alert board" or under suspension of listing are explicitly excluded from the eligible shares under the Stock Connect. It is expected that the list of eligible securities will be subject to review and adjustment (in particular, the adjustment along with the changes of the constituent China A-Shares in the relevant indices).

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), a wholly-owned subsidiary of HKEX, and ChinaClear are responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A-Shares traded through the Stock Connect are issued in scripless form, and investors will not hold any physical China A-Shares.

Although HKSCC does not claim proprietary interests in the SSE/SZSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE/SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE/SZSE securities. Stock Connect trades are settled in RMB and investors must have timely access to a reliable supply of RMB in Hong Kong, which cannot be guaranteed.

In addition to paying trading fees, levies and stamp duties in connection with trading in the China A-Shares, the Funds investing via the Stock Connect may be subject to new fees arising from trading of the China A-Shares via the Stock Connect which are yet to be determined and announced by the relevant authorities.

Liquidity and Volatility Risk

The existence of a liquid trading market for China A-Shares may depend on whether there is supply of, and demand for, China A-Shares. The price at which securities may be purchased or sold by the relevant Funds and the Net Asset Value of such Funds may be adversely affected if trading markets for China A-Shares are limited or absent. The China A-Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the relevant Funds.

Suspension Risk

It is contemplated that both SEHK and SSE/SZSE have the right to suspend or limit trading in any security traded on the relevant

exchange if necessary for ensuring an orderly and fair market and that risks are managed prudently. In particular, trading in any China A-Share security on SSE/SZSE is also subject to the trading band limits applicable to each China A-Share. Any trading suspension and/or trading band limit may render it impossible for the relevant Funds to liquidate positions and could thereby expose the Funds to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Funds to liquidate positions at a favourable price, which could thereby expose the affected Funds to significant losses. Finally, where a suspension is effected, the relevant Funds' ability to access the PRC market will be adversely affected.

Quota and Other Limitations

Although the Stock Connect is the first program allowing non-Chinese investors to trade the China A-Shares without a license and there is no longer an aggregate quota limitation, trading of China A-Shares through the Stock Connect is still subject to a daily quota (“**Daily Quota**”), which limits the maximum net buy value of cross-boundary trades under the Stock Connect each day. Northbound trading and Southbound trading under each of the Shanghai Stock Connect and the Shenzhen Stock Connect will be subject to a separate set of Daily Quota. The Northbound Daily Quota for each of the Shanghai Stock Connect and the Shenzhen Stock Connect is currently and respectively set at RMB52 billion. Quota limitations may prevent the Funds from purchasing the Stock Connect securities when it is otherwise advantageous to do so. In particular, once the remaining balance of the relevant Daily Quota drops to zero or the Daily Quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance).

Differences in Trading Day

Because Stock Connect trades are routed through Hong Kong brokers and the SEHK, Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore, it is possible that there are occasions when it is a normal trading day for the PRC market but the relevant Funds cannot carry out any China A-Shares trading via the Stock Connect. As a result, prices of the relevant China A-Shares may fluctuate at times when the Funds are unable to add to or exit its position.

Additionally, an investor cannot sell the securities purchased on the current trading day on SSE/SZSE, which may restrict the Funds' ability to invest in China A-Shares through Stock Connect and to enter into or exit trades where it is advantageous to do so on the same trading day.

Eligibility of Shares

Only certain China A-Shares are eligible to be accessed through Stock Connect. Such securities may lose their eligibility at any time. When a China A-Share is recalled from the scope of eligible

shares for trading via the Stock Connect, the China A-Share can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds, for example, if the Adviser wishes to purchase a China A-Share which is recalled from the scope of eligible shares.

Operational Uncertainty

Because Stock Connect is relatively new, its effects on the market for trading China A-Shares are uncertain. In addition, the trading, settlement and IT systems required to operate Stock Connect are relatively new and continuing to evolve. In particular, the Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems do not function properly, trading through Stock Connect could be disrupted and the relevant Funds' ability to access the China A-Share market may be adversely affected and the Fund may not be able to effectively pursue its investment strategy.

Other Legal and Regulation Risks

Stock Connect is subject to regulation by both Hong Kong and China. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. There can be no assurance that further regulations will not affect the availability of securities in the program, the frequency of redemptions or other limitations. Additional shareholder restrictions and disclosure requirements might also be applicable to the Company as a result of their investments in China A-Shares via Stock Connect.

Legal/Beneficial Ownership

In China, Stock Connect securities are held on behalf of ultimate investors (such as the Company) by the HKSCC as nominee. HKSCC in turn holds the SSE/SZSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear. While Chinese regulators have affirmed that the ultimate investors hold a beneficial interest in Stock Connect securities, the law surrounding such rights is in its early stages and the mechanisms that beneficial owners may use to enforce their rights are untested and therefore pose uncertain risks. Further, courts in China have limited experience in applying the concept of beneficial ownership and the law surrounding beneficial ownership will continue to evolve as they do so. There is accordingly a risk that as the law is tested and developed, the

Company's ability to enforce its ownership rights may be negatively impacted. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE/SZSE shares will be regarded as held for the beneficial ownership of the Funds or as part of the general assets of HKSCC available for general distribution to its creditors. Furthermore, the Company may not be able to participate in corporate actions affecting Stock Connect securities due to time constraints or for other operational reasons. Similarly, the Company will not be able to vote in shareholders' meetings except through HKSCC and will not be able to attend shareholders' meetings.

Clearing and Settlement Risk

ChinaClear and HKSCC have established the clearing links and each becomes a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfill the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE/SZSE shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Pre-Trade Requirements and Special Segregated Accounts

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE/SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If a Fund intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its broker(s) before the market opens on the day of selling (the "trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Fund may not be able to dispose of its holdings of China A-Shares in a timely manner.

In addition, as the broker(s) of the Fund will hold and safekeep the Chinese A-Shares before the trading day, there is a risk that the

creditors of the broker(s) will seek to assert that the Chinese A-Shares are owned by the brokers rather than the Funds if it is not made clear that the broker(s) act as a custodian in respect of the Chinese A-Shares for the benefit of the Funds.

Alternatively, if the relevant Fund maintains its SSE/SZSE shares with a custodian which is a custodian participant or general clearing participant participating in the Hong Kong Central Clearing and Settlement System ("CCASS"), the Fund may request such custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in SSE/SZSE shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Stock Connect system to verify the holdings of an investor such as a Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the relevant Fund's sell order, the Fund will only need to transfer SSE/SZSE shares from its SPSA to its broker's account after execution and not before placing the sell order and the Fund will not be subject to the risk of being unable to dispose of its holdings of China A-Shares in a timely manner due to failure to transfer of China A-Shares to its brokers in a timely manner.

In addition, these pre-trade requirements may, as a practical matter, limit the number of brokers that the Funds may use to execute trades. In relation to transactions executing through a SPSA order, the Fund, as the investor, may at most designate 20 brokers currently. While the Funds may use SPSA in lieu of the pre-trade check, many market participants have yet to fully implement IT systems necessary to complete trades involving securities in such accounts in a timely manner. Market practice as well as governmental policies with respect to SPSA is continuing to evolve.

CHINESE INTERBANK BOND MARKET ("CIBM")

CIBM is an OTC market outside the two main stock exchanges in the PRC (i.e. SSE and SZSE) and was established in 1997. On CIBM, institutional investors (including domestic institutional investors but also QFIs as well as other offshore institutional investors, subject to authorization) trade sovereign, government and corporate bonds on a one-to-one quote-driven basis. CIBM accounts for more than 95% of outstanding bond values of total trading volume in the PRC as of 2019.

The main debt instruments traded on CIBM include government bonds, financial bonds, corporate bonds, bond repo, bond lending, People's Bank of China ("PBOC") bills, and other financial debt instruments.

CIBM is regulated and supervised by PBOC. PBOC is responsible inter alia for establishing listing, trading, functioning rules applying to CIBM and supervising the market operators of CIBM and CSRC is responsible for taking enforcement actions against illegal activities on CIBM. CIBM facilitates two trading models: (i) bilateral negotiation and (ii) click-and-deal. Under the China

Foreign Exchange Trading System (“**CEFTS**”), which is the unified trading platform for CIBM, negotiation is applied to all inter-bank products while one-click trading is only applied to spot bonds and interest rate derivatives.

The market-maker mechanism, whereby an entity ensures bilateral quotations for bonds, was officially introduced in 2001 to improve market liquidity and enhance efficiency. Deals through market making can enjoy benefits such as lower trading and settlement costs.

Bond transactions must be conducted by way of bilateral trading through independent negotiations and be concluded on a transaction by transaction basis. Bid and ask prices for primary bond transactions and repurchase interest rates must be determined independently by the parties to the transaction. Both parties to a transaction shall typically, in accordance with the contract, promptly send instructions for delivery of bonds and funds, and shall have sufficient bonds and funds for delivery on the agreed delivery date.

China Central Depository & Clearing Co., Ltd (“**CCDC**”) or Shanghai Clearing House (“**SHCH**”), depending on where bonds are deposited, will deliver bonds on time according to the instructions matching with elements sent by both parties to a transaction. Fund clearing banks (e.g. settlement agent banks of foreign institutional investors) will handle the transfer and settlement of bond transaction payments on behalf of participants in a timely manner.

Investors should be aware that trading on CIBM exposes the Fund to increased counterparty and liquidity risks.

RISKS ASSOCIATED WITH THE INVESTMENT THROUGH BOND CONNECT

In addition to opening an account in China to access the CIBM (the so called “**direct CIBM access**”), some Funds may invest in the bonds tradable in the PRC (“**Bond Connect Securities**”) through connection between the PRC and Hong Kong financial infrastructure institutions (“**Bond Connect**”).

Regulatory risk

Any laws, rules, regulations, policies, notices, circulars or guidelines published or applied by any of the Bond Connect Authorities (as defined below) are subject to change from time to time in respect of Bond Connect or any activities arising from Bond Connect (the “**Applicable Bond Connect Laws and Rules**”) and there can be no assurance that Bond Connect will not be abolished. The relevant Fund may be adversely affected as a result of any change in the Applicable Bond Connect Laws and Rules. “**Bond Connect Authorities**” refers to the exchanges, trading systems, settlement systems, governmental, regulatory or tax bodies which provide services and/or regulate Bond Connect and activities relating to Bond Connect, including, without limitation, the PBOC, the

Hong Kong Monetary Authority (“**HKMA**”), the Hong Kong Exchanges and Clearing Limited, CFETS, the Central Moneymarkets Unit of the HKMA (“**CMU**”), CCDC and SHCH and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of Bond Connect.

No off-market transfer

Pursuant to the Applicable Bond Connect Laws and Rules, the transfer of Bond Connect Securities between two members of CMU and between two CMU sub-accounts of the same CMU Member is not allowed.

No amendment of orders, limited cancellation of orders

Pursuant to the Applicable Bond Connect Laws and Rules, instructions relating to sell and buy orders for Bond Connect Securities may only be cancelled in limited circumstances pursuant to the Applicable Bond Connect Laws and Rules and that instructions may not be amended.

Hedging Activities

Hedging activities are subject to the Applicable Bond Connect Laws and Rules and any prevailing market practice and there is no guarantee that the Fund will be able to carry out hedging transactions at terms which are satisfactory to the Management Company, the relevant Investment Adviser and the relevant Sub-Adviser. The Fund may also be required to unwind its hedge in unfavourable market conditions.

Tax

The treatment of tax under the Applicable Bond Connect Laws and Rules is not entirely clear. Accordingly, where the Applicable Bond Connect Laws and Rules require a custodian/ clearing house / any other agent stipulated by such rules to withhold any tax, or where such custodian / clearing house / any other agent has a reasonable basis for believing that such withholding may be required, the custodian / clearing house / any other agent may do so at the rate required by the regulation, or if in the custodian’s opinion the Applicable Bond Connect Laws and Rules are not very clear on the rate, at such rate as the custodian / clearing house / any other agent may, reasonably determine to be appropriate. Tax may be withheld on a retroactive basis.

Nominee Holding Structure

Bond Connect Securities will be held by CMU, opening two nominee accounts with CCDC and SHCH. While the distinct concepts of “nominee holder” and “beneficial owner” are generally recognized under the Applicable Bond Connect Laws and Rules, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies or other legal proceedings.

Variable Interest Entities

A Fund may gain economic exposure to certain operating companies in China through legal structures known as variable interest entities (“VIEs”). From time to time, a Fund’s investments in US-listed special purpose companies relying on VIE structures to consolidate China-based operations may be significant. In a VIE structure, a China-based operating company (“**Operating Company**”) typically establishes an offshore special purpose company (“**Offshore Company**”) in another jurisdiction, such as the Cayman Islands, which then enters into service and other contracts with the Operating Company to replicate the rights and obligations similar to equity ownership in such Operating Company, and issues shares on a foreign exchange, like the New York Stock Exchange or Hong Kong Exchange. Under VIEs, investors hold stock in the Offshore Company rather than directly in the Operating Company and the Offshore Company may not own stock or other equity in the Operating Company. Certain Chinese companies have adopted VIEs to facilitate foreign investment access where they are subject to foreign investment prohibition or restriction. Through a VIE arrangement, the Operating Companies may indirectly access capital from foreign investors without distributing ownership of the Operating Companies to foreign investors.

Investments in VIEs are subject to risks in addition to those generally associated with investments in China. The VIE structure has not been formally recognized or approved by any Chinese regulatory body. The validity and enforceability of VIE agreements remain untested in the Chinese courts. For example, local government authorities may determine that such structures do not comply with applicable laws and regulations, including those relating to restrictions on foreign ownership. In such event, the Offshore Company and/or the Operating Company may be subject to penalties, revocation of business and operating licenses or forfeiture of foreign ownership interests. Further, breaches of the contractual arrangements, changes in Chinese law with respect to enforceability or permissibility of these arrangements or failure of these contracts to function as intended would likely adversely affect an investment in a VIE. In addition, VIEs are also subject to the risk of inconsistent and unpredictable application of Chinese law, that the Offshore Company may lose effective control over the Operating Company and that the equity owners of the Operating Company may have interests conflicting with those of the Offshore Company’s investors. There is also uncertainty related to the Chinese taxation of VIEs and the Chinese tax authorities may take positions which result in increased tax liabilities. Thus, investors, such as a Fund, faces risks and uncertainty about future actions or intervention by the government of China at any time and without notice that could suddenly and significantly adversely affect VIEs and the enforceability of the Offshore Company’s contractual arrangements with the Operating Company. If these risks materialize, the value of investments in VIEs could be significantly adversely affected and a Fund could incur significant losses with no recourse available.

EXPOSURE TO THE EURO AND THE EUROZONE

The “Eurozone” is an economic and monetary union of 19 European member states that have adopted the Euro as their common currency and sole legal tender. The success of the Euro and the Eurozone is therefore dependant on the general economic and political condition of each member state, as well as each state’s credit worthiness and the willingness of the members to remain committed to monetary union and support for the other members. Currently, there are widely held concerns in the market regarding the credit risk associated with certain sovereigns, including some member states of the Eurozone, and the continued viability of the Eurozone. Risk to the Company includes the possibility of exit of individual countries from the Euro, full breakup of the Eurozone or other circumstances which may result in the emergence or re-introduction of national currencies.

Default by any state on its Euro debts or a material decline in the credit rating of any Eurozone state could have a material negative impact on the Company and its investments. A number of the Funds of the Company may operate in Euro and/or may hold Euro denominated assets either directly or as collateral and may experience a reduction of the value and/or liquidity of their investments as a result of events in the Eurozone regardless of the measures the Investment Adviser(s) or Board may seek to take to reduce this risk.

In addition, the Management Company and/or the Company’s counterparties, banks, custodians and service providers may have direct or indirect exposure to these countries or currency and a default or credit decline could impact their ability to meet their obligations to and/or perform services for the Company. In the event of one or more member states exiting the Eurozone, or the abandonment of the Euro entirely, there may be material negative impact on some or all Funds of the Company and the value of investments, including risk of redenomination from Euro into another currency, possible capital controls and legal uncertainty as to the ability to enforce obligations and debts.

Prospective shareholders should inform themselves as to the risks surrounding the Eurozone crisis and the associated risk of an investment in the Company, taking into account the uncertainty as to how the Eurozone crisis and more general global economic situation will continue to evolve.

HOLDINGS CONCENTRATION

Some Funds may invest in a relatively small number of investments. Concentrated portfolios may be more volatile than more diversified portfolios with a larger number of investments and may be more significantly impacted by a decline in the value or circumstance of any one stock, asset classes or sector.

REAL ESTATE INDUSTRY

There are special risk considerations associated with investing in the real estate industry. Securities such as closed-end Real Estate

Investment Trusts (REITS), Real Estate Operating Companies (REOCS) and the securities of companies principally engaged in the real estate industry may be subject to these risks. 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. These risks include: the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could indirectly decrease the value of a Fund investing in the Real Estate Industry.

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, management expenses of the underlying REITS and REOCS. REITS and REOCS and distributions by REITS and REOCS may be subject to withholding or other taxes imposed by the authorities in that market.

INFRASTRUCTURE

There are special risk considerations associated with investing in the securities of companies principally engaged in the infrastructure industry. Infrastructure-related companies are subject to a variety of factors that may adversely affect their business or operations including high interest costs in connection with capital construction programs, costs associated with compliance with and changes in environmental and other regulations, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, the effects of surplus capacity, increased competition from other providers of services in a developing deregulatory environment, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors.

Additionally, infrastructure-related entities may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, government budgetary constraints, service interruption due to environmental, operational or other mishaps and the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards. Other factors that may affect the operations of infrastructure-related companies include innovations in technology that could render the way in which a company delivers a product or service obsolete, significant changes to the number of ultimate end-users of a company's products, increased susceptibility to terrorist acts or political actions, risks of environmental damage

due to a company's operations or an accident, and general changes in market sentiment towards infrastructure and utilities assets.

In the event that any of the risks associated with the infrastructure industry materialise, the value of securities issued by companies engaged in the infrastructure business may decline. To the extent that a Fund is invested in such securities, this may result in a corresponding decline in the Net Asset Value per share of that Fund, potentially uncorrelated to the rest of the equity market.

Companies engaged in the infrastructure business may also include Real Estate Investment Trusts ("closed-end REITS") and collective investment vehicles with exposure to infrastructure assets. Investors should refer to special risk considerations applicable to the Real Estate Industry and Collective Investment Vehicles.

COMMODITIES

Certain Funds may invest in commodity-related assets, in accordance with their investment objective. Such Funds will only take indirect exposure to commodities, by investing into eligible structured products such as commodity-linked notes, commodity ETFs and/or derivative instruments referencing one or more commodity indices qualifying as financial indices under UCITS regulations.

Commodity related assets are highly volatile. Commodity markets are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programmes and policies designed to influence commodity prices, world political and economic events, and changes in interest rates.

VOLATILITY STRATEGIES

Certain Funds may invest, either directly or indirectly via investment into collective investment schemes in strategies which seek to take advantage of increases or decreases in volatility. Investment in such strategies may result in an increase in total portfolio volatility of the Fund. The risks of such investments are related to the risks associated with the underlying asset class on which the strategy invests (e.g. equity risk, commodity risk, liquidity risk, etc.). In periods of high market volatility the value of investments in volatility strategies may be subject to drawdowns which exceed those experienced in the markets and asset classes upon which the volatility strategy draws. Exposure to extreme market volatility may not be fully hedged which may result in a decrease in portfolio value. Funds which invest in volatility strategies will be exposed to derivative risk and basis risk, which is the risk that exposure gained through derivatives to an underlying asset or assets will not be perfectly correlated to the price movements of the assets themselves.

SPECIAL PURPOSE ACQUISITION COMPANIES

Certain Funds may invest in special purpose acquisition companies ("SPACs"). A SPAC is a publicly traded company that raises investment capital for the purpose of acquiring or merging with an

existing company. Typically, the acquisition target is an existing private company that wants to trade publicly, which it accomplishes through an acquisition by, or combination with, a SPAC rather than by conducting a traditional initial public offering (“IPO”). A SPAC is a blank check company, meaning it does not have any operating history or ongoing business other than seeking to acquire an ongoing business. The identity of the acquisition target is typically not known at the time the SPAC seeks investors.

A SPAC may raise additional funds for a range of purposes, including in order to fund the acquisition, provide post-acquisition working capital, redeem the publicly traded shares as requested by its existing shareholders or some combination of these purposes. This additional fundraising may be in the form of a private placement of a class of equity securities or the issuance of debt. Where in the form of equity, the equity securities sold in this kind of fundraising are generally the same class of securities that trade on the exchange on which the shares of the SPAC are listed. Where in the form of debt, the debt could be secured by the assets of the SPAC, by the operating company existing after the acquisition, or it could be unsecured. The debt may also be investment grade debt or below investment grade debt.

A Fund would typically invest in equity securities of SPACs or similar special purpose entities in a private placement transaction designed to help fund an acquisition by the SPAC. In connection with the private placement, the SPAC usually agrees to file a registration statement covering the shares purchased in the private placement on an expedited basis after the transaction is complete. Until that registration statement becomes effective, the securities purchased by a Fund will not be publicly tradable unless an exemption from registration is available. Exemptions in these types of transactions become available one year after the date of the business combination, so it is critical that the registration statement become effective soon after the investment in order to create liquidity for the securities purchased by the Fund in the private placement.

An investment in a SPAC prior to an acquisition is subject to the risks that the proposed acquisition or merger may not obtain the requisite approval of SPAC shareholders, may require governmental or other approvals that it fails to obtain or that an acquisition or merger, once effected, may prove unsuccessful and lose value.

Investments in SPACs are also subject to the risks that apply to investing in any IPO, including the risks associated with companies that have little operating history as public companies, including unseasoned trading, a limited number of shares available for trading (i.e. “free float”) and limitations to the availability of information about the issuer. In addition, like IPO issuers, the market for newly-public may be volatile, and share prices of newly-public companies have historically fluctuated significantly over short periods of time. Although some IPOs may produce high returns, such returns are not typical and may not be sustainable. Any equity investments made in the SPAC in connection with a proposed business combination will

be diluted by the acquisition itself and any further fundraising post-acquisition by the acquired operating business.

INVESTMENTS IN SAUDI ARABIA

Special Risk Considerations Relating to the QFI Regime and Investments in Saudi Arabian Equities

A Fund’s ability to achieve its investment objective depends on the ability of the Investment Adviser as a QFI, and the Fund as a QFI Client, to obtain and maintain their respective authorizations from the Capital Market Authority (“CMA”), and thereby allow the Fund to invest. A failure to obtain or maintain such authorization could limit the Fund’s ability to gain exposure to Saudi securities and could increase the cost to the Fund of gaining such exposure. Even if it obtains QFI Client approval, the Fund will not have an exclusive investment quota and will be subject to foreign investment limitations and other regulations imposed by the CMA on QFIs and QFI Clients (individually and in the aggregate), as well as local market participants. If such limitations are reached or other market factors impact the Fund’s ability to invest in Saudi securities or otherwise, the Fund may not be able to meet investor demand for Fund shares. If the Fund is unable to invest in a manner consistent with its investment objective, the Investment Adviser may reject new creation orders for Fund shares. Rejection of new creation orders could cause the Fund’s shares to trade in the secondary market at a higher than usual premium or discount to Net Asset Value. QFI regulations and local market infrastructure are relatively new and have not been tested through multiple business cycles or market events, and the CMA may discontinue the QFI regime and other avenues for foreign investment in Saudi Arabian equities at any time, or impose additional barriers or restrictions on foreign investment. Any change in the QFI system generally, including the possibility of the Investment Adviser or the Fund losing their respective QFI and QFI Client status, may affect the Fund’s ability to invest in Saudi securities.

Risk of Investing in Saudi Arabia

The ability of foreign investors (such as a Fund) to invest in Saudi Arabian issuers is new and untested. Such ability could be restricted or revoked by the Saudi Arabian government at any time, and unforeseen risks could materialize due to foreign ownership in such securities. In addition, the CMA places investment limitations on the ownership of Saudi Arabian issuers by foreign investors, including a limitation on the Fund’s ownership of any single issuer listed on the Saudi Arabian Stock Exchange, which may prevent the Fund from investing in accordance with its strategy. Saudi Arabia is highly reliant on income from the sale of petroleum and trade with other countries involved in the sale of petroleum, and its economy is therefore vulnerable to changes in foreign currency values and the market for petroleum. As global demand for petroleum fluctuates, Saudi Arabia may be significantly impacted. Like most Middle Eastern governments, the government of Saudi Arabia exercises substantial influence over many aspects of the private sector. Although liberalization in the wider economy is

underway, in many areas it has lagged significantly: restrictions on foreign ownership persists, and the government has an ownership stake in many key industries. The situation is exacerbated by the fact that Saudi Arabia is governed by an absolute monarchy. Saudi Arabia has historically experienced strained relations with economic partners worldwide, including other countries in the Middle East due to geopolitical events. Governmental actions in the future could have a significant effect on economic conditions in Saudi Arabia, which could affect private sector companies and the Fund, as well as the value of securities in the Fund's portfolio. Any economic sanctions on Saudi Arabian individuals or Saudi Arabian corporate entities, or even the threat of sanctions, may result in the decline of the value and liquidity of Saudi Arabian securities, a weakening of the Saudi riyal or other adverse consequences to the Saudi Arabian economy. In addition, Saudi Arabia's economy relies heavily on cheap, foreign labor, and changes in the availability of this labor supply could have an adverse effect on the economy.

Investments in securities of Saudi Arabian issuers involves risks not typically associated with investments in securities of issuers in more developed countries that may negatively affect the value of the Fund's investments. Such heightened risks may include, among others, expropriation and/or nationalization of assets, restrictions on and government intervention in international trade, confiscatory taxation, political instability, including authoritarian and/or military involvement in governmental decision making, armed conflict, crime and instability as a result of religious, ethnic and/or socioeconomic unrest. Although the political situation in Saudi Arabia is largely stable, Saudi Arabia has historically experienced political instability, and there remains the possibility that instability in the larger Middle East region could adversely impact the economy of Saudi Arabia. Political instability in the larger Middle East region has caused significant disruptions to many industries. Continued political and social unrest in these areas may negatively affect the value of securities in the Fund's portfolio.

Saudi Arabia Broker Risk

There are a number of different ways of conducting transactions in equity securities in the Saudi Arabian market. A Fund generally expects to conduct its transactions in a manner in which it would not be limited by Saudi Arabian regulations to a single broker. However, there may be a limited number of brokers who can provide services to the Fund, which may have an adverse impact on the prices, quantity or timing of Fund's transactions. In addition, the limited number of brokers available to the Fund may make the Fund more susceptible to credit loss or trading disruptions in the event of a default or business disruption by one or more of the available brokers. Should the Fund's ability to use one or more brokers be affected for any reason, this could disrupt the operations of the Fund and/or cause the Fund's shares to trade at a premium or discount to Net Asset Value. In addition, brokers in the Saudi Arabian market are not typically able to separate execution commissions from research costs, which means that the Fund may

incur execution costs that exceed those in other markets where execution commissions and research costs are separated. The Fund may also incur losses due to the acts or omissions of its brokers in the execution or settlement of any transaction or in the transfer of any funds or securities.

RISKS RELATED TO THE INVESTMENT IN PARAMETRIC COMMODITY FUND

Capital loss risk

The capital initially invested is not guaranteed in any way, and the performance replicated by the Fund may be negative.

Model risk

The Index is rules-based and may not yield future positive performance. The Index has been constructed from the outputs generated by both fundamental and quantitative methodology by the Index Sponsor. However, there can be no assurances that the methodology can yield positive performance in all economic conditions, and past performance of the methodology (actual or simulated) is not an indication of future performance.

Risk linked to an index of commodities futures

The price evolution of commodity futures is linked to the actual and forthcoming production level of the underlying asset or even to the level of estimated stocks. The climatic and geopolitical factors may alter the supply and demand level of the underlying asset and thus modify the expected supply to the market.

Amendments to the Swap

The Swap contracts may be amended by the Approved Counterparty pursuant to the provisions thereof, including but not limited to upon a change of law, decreased liquidity, increased cost of hedging, the publication of a successor index or upon adjustments or modifications to the Index, which may result in an early termination.

Market Disruption and Potential Adjustment Events

The value of the Swap may be adjusted from time to time as a result of, but not limited to, the termination of the Swap in accordance with its terms, the Index becoming ineligible or the methodology for calculating the Index being materially amended.

Correlation with the Index

Investors should understand that in light of the investment objective and policies of the Fund and due to costs and expenses incurred by the Fund such as swap transaction costs, the performance of the Shares may from time to time have less correlation to changes in the value of the Index than expected. The anticipated level of tracking error is less than 1.5% in normal market conditions.

Counterparty Risk

The ability of the Fund to meet its obligations will be dependent upon the Approved Counterparty of the Swap performing its obligations and making payments under the Swaps. Accordingly, Shareholders are exposed, inter alia, to the creditworthiness of the Approved Counterparty.

RISKS RELATED TO THE USE OF SWAPS IN SYSTEMATIC LIQUID ALPHA FUND

Exposure to the underlying investment strategies may be achieved through investments in swaps. Given the nature of the swaps and the costs that may be involved in their utilisation, the value of the swaps (which ultimately determine the return the Shareholders will receive) may not exactly track the value of the underlying investment strategies. Shareholders should thus be familiar with the risks associated with such an approach to investment.

The value of the swaps may be adjusted by the approved counterparty or the calculation agent in accordance with their terms, in response to disruption events affecting such swaps or the underlying investment strategies; or in response to modification or termination of the indices to which they reference. Whilst it is expected that such adjustments will be made in good faith and in a commercially reasonable manner, such adjustments may affect the value of the Fund's assets, and consequently, the Net Asset Value.

The return payable under the swaps may be subject to the credit risk of an approved counterparty.

While an index sponsor employs a methodology ascribed to an index (and application of such methodology shall be conclusive and binding), no assurance can be given that market, regulatory, juridical, financial, fiscal, or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting any constituent within the index) will not arise that would, in the view of the index sponsor, necessitate an adjustment, modification or change of such methodology. The index sponsor may also, in its sole and absolute discretion, at any time and without notice, adjust, suspend or terminate the index. The index sponsor is also under no obligation to continue the calculation, publication, and dissemination of the index. Any such adjustment, suspension, termination, or non-publication may have a negative impact on the swaps and consequently, also on the Fund.

The indices are not intended to predict actual results and no assurances are given with respect thereto.

As the investment exposure gained by the Fund is synthetic, the Fund will have no rights with respect to the underlying components comprised in the indices. Entering into financial derivative instruments such as the swaps will not make the Fund a holder of, or give the Fund a direct investment position in, any of the underlying investment strategies or the indices or any component

included therein. Any amounts payable under the swaps will be made in cash and the Fund will not have any rights to receive delivery of any underlying investment strategies or any component included therein. Similarly, an investment in the Fund will therefore not make the investor a holder of, or give an investor a direct investment position in, any of the underlying investment strategies or the indices or any component included therein. Any amounts payable in respect of Shares will be made in cash and investors will not have any rights to receive delivery of any underlying investment strategies or indices or any component included therein.

Section 2

2.1 Share Class Description

The Management Company may create one or more different classes of Shares (“Share Classes”) in each Fund. Each Share Class is represented by a code composed by a share class indicator and a share class sub-indicator. The first letter or number of that code denotes the Share Class Indicator (e.g. “A”), while further letters or

numbers represent additional characteristics and in combination denote the Share Class Sub-Indicator (e.g. “H”).

Not all Share Classes may be available in all Funds. Details on the available Share Classes can be obtained from the Management Company and at the Company’s registered office.

Share Class Indicator	Target audience*	Minimum Initial Subscription per Fund:	Minimum Holding
A	Retail investors who receive either investment advice or execution services from an intermediary and have agreed that intermediary may receive inducements.	N/A	N/A
B***	Retail investors who receive investment advice from an intermediary and have agreed that intermediary may receive inducements. The intermediary may receive an up-front payment from the distributor, which will be recouped from the investor over four years through an additional distribution fee. If an investor redeems within four years of its initial subscription a contingent deferred sales charge will be charged.	N/A	N/A
C	Retail investors who receive investment advice from an intermediary and have agreed that intermediary may receive inducements. The intermediary may receive an up-front payment from the distributor. If an investor utilising this model redeems within one year of its initial subscription a contingent deferred sales charge will be charged.	N/A	N/A
F	Retail investors who either receive advice from an intermediary or utilise an intermediary's order execution platform to invest in the Company. For intermediary business within the EEA and the UK, with effect from 3 January 2018 this share class is available for retail investors using intermediaries in either of the following situations: (1) where the intermediary is not allowed to accept and retain inducements due to the application of MiFID; or (2) where the intermediary has agreed with its client that it is not allowed to accept and retain inducements.	N/A	N/A
I	Investors, including retail investors, who invest either directly or through an intermediary. For intermediary business within the EEA and the UK, with effect from 3 January 2018 this share class is available for retail investors using intermediaries in either of the following situations: (1) where the intermediary is not allowed to accept and retain inducements due to the application of MiFID; or (2) where the intermediary has agreed with its client that it is not allowed to accept and retain inducements.	N/A	N/A
J	At the discretion of the Management Company, institutional investors, including discretionary portfolio managers acting on behalf of their clients, who invest when a Fund is newly launched within a period determined by the Investment Adviser in its absolute discretion and invest no less than USD 10,000,000 in the relevant Fund.	10,000,000**	10,000,000**
N	The Management Company and its affiliates (whether for themselves or on behalf of clients) or, at the discretion of the Management Company, clients of the Management Company or its affiliates. This share class is reserved for institutional investors only.	N/A	N/A
S	Pension funds or other Institutional Investors, as selected by the Management Company, and who invest at least USD 40,000,000 in the relevant Fund.	40,000,000**	40,000,000**
Z	Institutional Investors, including discretionary portfolio managers acting on behalf of their clients.	N/A	N/A

For the purposes of the table above, “Institutional Investor” means an institutional investor within the meaning of Article 174 of the Luxembourg Law of 2010. For investors who are subject to MiFID, Eligible Counterparties (as defined under MiFID) and per se Professional Clients (as defined under item I of annex II of MiFID) are expected to be eligible to invest in institutional share classes. Retail Clients and elective Professional Clients (as defined under MiFID) are typically not eligible for institutional share classes although some entities, such as local authority pension funds, are eligible. Please consult the application form for more information on eligibility and, in the case of doubt, please contact cslux@morganstanley.com.

* Where the Management Company in its absolute discretion determines that an investor does not fall within the target audience for a Share Class Indicator as described above, including where the investor has ceased to be part of the target audience after initial subscription, the Management Company may, upon providing such investor with one month's written notice, elect to either compulsorily redeem their holding or convert their holding into another Share Class. The Management Company may also reject subscriptions to any share class where the investor does not fall within the target audience or where, in relation to share classes A, B and C, the relevant intermediary has not been approved by the Management Company to subscribe for that share class.

This is at the Management Company's absolute discretion and the Management Company may choose not to exercise this power. For example, the Management Company may determine that an investor in Class E who has ceased to be employed by the Investment Adviser may retain their existing investment.

** These amounts may be in U.S. Dollars (or the Euro, Yen or Sterling equivalent of the U.S. Dollar amount). These minima may be waived or varied, in any particular case or generally, at the Management Company's discretion.

*** With effect from 1 July 2018, Class B Shares are automatically converted free of charge into corresponding Class A Shares on or shortly after the fourth anniversary of the original subscription date for those Class B Shares. Further information is set out below under the heading “Share Class Indicator B Shares”.

If the Net Asset Value of an investor's holding of a Class of Shares falls below the Minimum Holding amount shown above, the Management Company may, upon providing such investor with one month's written notice, elect to either compulsorily redeem their holding or convert their holding into another Share Class.

Restrictions apply to the purchase of Share Class Indicators A, B, C, F, I, J, N, S and Z Shares. First time applicants should contact the Management Company before submitting an Application Form for these Share Classes.

LIST OF SHARE CLASS SUB-INDICATORS

Share Class Sub-Indicator Characteristics (see section below)

The following Share Class Sub-Indicators are explained further in this Section 2.1 below

H	NAV Hedged Share Class
H1	Portfolio Hedged Share Class
H2	Index Hedged Share Class
H3	NAV Hedged (Non-Deliverable Currency) Share Class
H4	Partially Hedged Share Class

The following Share Class Sub-Indicators are explained further in the Section 2.10 "Dividend Policy"

X	Distributing Share Class
R	Discretionary Distributing Share Class
M	Monthly Distributing Share Class

CURRENCY HEDGED SHARE CLASSES

Currency Hedged Share Classes seek to reduce the currency exposure of the Shareholder to currencies other than the "Hedged Share Class Currency". The Investment Adviser(s) will decide on the most appropriate hedging strategies for each Fund and a Fund-by-Fund summary is available from the registered office of the Company and is included in the Company's Annual and Semi-Annual Reports. Currency Hedged Share Classes are subdivided as follows:

NAV Hedged Share Classes (Share Class Sub-Indicator "H")

NAV Hedged Share Classes utilise hedging strategies that seek to reduce exposure to currency movements between the Hedged Share Class Currency and the Fund's Reference Currency. This involves hedging the Fund's Reference Currency to the Hedged Share Class Currency generally without reference to the currencies represented in the Fund's underlying investment portfolio (the "Investment Currencies").

Portfolio Hedged Share Classes (Share Class Sub-Indicator "H1")

Portfolio Hedged Share Classes utilise hedging strategies that seek to reduce exposure to currency movements between the Hedged Share Class Currency and the Fund's Investment Currencies. This involves hedging the Fund's Investment Currencies back to the Hedged Share Class Currency without reference to its Reference Currency.

Index Hedged Share Classes (Share Class Sub-Indicator "H2")

Index Hedged Share Classes utilise hedging strategies that seek to reduce exposure to currency movements between the Hedged Share Class Currency and the currencies of a Fund's benchmark index ("Index Currencies"). This involves hedging the Fund's Index Currencies back to the Hedged Share Class Currency without reference to the Fund's Reference Currency or its Investment Currency.

NAV Hedged (Non-deliverable Currency) Share Class (Share Class Sub-Indicator "H3")

The NAV Hedged (Non-deliverable Currency) Share Classes utilise similar hedging strategies to the NAV Hedged Share Classes, however, where the Hedged Share Class Currency is non-deliverable, the share class will be denominated, for subscription and redemption purposes, in a currency other than the Hedged Share Class Currency. For example, a Colombian Peso NAV Hedged Share Class may be subscribed or redeemed in U.S. Dollar or Euro but the Fund's Reference Currency would be hedged to the Colombian Peso, notwithstanding it being denominated in U.S. Dollar or Euro.

Partially Hedged Share Class (Share Class Sub-Indicator "H4")

Partially Hedged Share Classes utilise derivatives such as currency forward contracts, spot contracts, and currency futures to hedge a portion of the currency risk of the non-USD Partially Hedged Share Class by hedging approximately that portion of the Fund's exposure to the USD denominated Cash Equivalents portion of the Fund attributable to the non-USD Partially Hedged Share Class (save where such Share Class is specified to be unhedged) back to the relevant currency of the Partially Hedged Share Class. This hedging strategy applies specifically to the Parametric Global Defensive Equity Fund which targets 50% of the portfolio to be invested in Cash Equivalents and will be rebalanced if the weighting deviates more than 5%.

SALES CHARGE

The Sales Charge is an initial charge levied on subscription amounts, which is not contained within the price at which the Shares are issued.

Share Class Indicator	Bond Funds (excluding Emerging Markets Debt Fund, Emerging Markets Debt Opportunities Fund, Emerging Markets Domestic Debt Fund, and Emerging Markets Local Income Fund)	Equity Funds (and Emerging Markets Debt Fund, Emerging Markets Debt Opportunities Fund, Emerging Markets Domestic Debt Fund, and Emerging Markets Local Income Fund)	Asset Allocation Funds	Alternative Investment Funds
A	Up to 4.00%	Up to 5.75%	Up to 5.75%	Up to 5.75%
B	0.00%	0.00%	0.00%	0.00%
C	Up to 3.00%	Up to 3.00%	Up to 3.00%	Up to 3.00%
F	0.00%	0.00%	0.00%	0.00%
I	Up to 3.00%	Up to 3.00%	Up to 3.00%	Up to 3.00%
J	0.00%	0.00%	0.00%	0.00%
N	0.00%	0.00%	0.00%	0.00%
S	0.00%	0.00%	0.00%	0.00%
Z	Up to 1.00%	Up to 1.00%	Up to 1.00%	Up to 1.00%

The Sales Charge shall revert to the Management Company or to the relevant distributor through which the initial purchase was made. If in any country in which the Share Class Indicators A, C, I, and Z Shares are offered, local law or practice requires or permits a lower initial Sales Charge than that listed above for any individual purchase order, the Management Company may sell Shares and may authorise distributors to sell Shares within such country at a total price less than the applicable price set forth above, but in accordance with the maximum amounts permitted by the law or practice of such country.

FURTHER INFORMATION ON SHARE CLASS INDICATOR B SHARES

As described in more detail in Section 2.5 of this Prospectus, Share Class Indicator B Shares are subject to a Distribution Fee, accrued daily and paid monthly, at the annual rate of 1.00% of their average daily Net Asset Value of Shares. The Distribution Fee ultimately accrues to the Management Company, which may pay part or all of the Distribution Fee to those institutions involved in the distribution of Share Class Indicator B Shares.

Share Class Indicator B Shares that are redeemed prior to the fourth anniversary of the date on which they were subscribed are subject to Contingent Deferred Sales Charge, which is described in detail below under the heading “Contingent Deferred Sales Charge”.

With effect from 1 July 2018, Share Class Indicator B Shares are automatically converted into the corresponding Share Class Indicator A Shares or on the fourth anniversary of the date on

which the Share Class Indicator B Shares were issued or the next Dealing Day if that day is not a Dealing Day. This conversion may give rise to a tax liability for shareholders in certain jurisdictions. Shareholders should consult their tax adviser for advice about their own position.

Until 22 June 2018, holders of Share Class Indicator B Shares retained the ability to voluntarily convert such Shares into Share Class Indicator A Shares or on after the fourth anniversary of the date on which the relevant Share Class Indicator B Shares were issued, or the next Dealing Day if that is not a Dealing Day. This conversion may give rise to a tax liability for shareholders in certain jurisdictions. Shareholders should consult their tax adviser for advice about their own position.

All conversions of Share Class Indicator B Shares into Share Class Indicator A Shares are made on the basis set out in section 2.4 of this Prospectus.

No Contingent Deferred Sales Charge will be applicable to Share Class Indicator B Shares on either (i) automatic conversions, or (ii) voluntary conversions made on or after the fourth anniversary of the date on which the Share Class Indicator B Shares were issued. No Sales Charge will be applicable to the Share Class Indicator A Shares issued as a result of the conversion of Share Class Indicator B Shares.

CONTINGENT DEFERRED SALES CHARGE

Contingent Deferred Sales Charge for all Funds

Time Period Since Subscription*	Share Class Indicator B	Share Class Indicator C
0–365 days	4.00%	1.00%
1–2 years	3.00%	None
2–3 years	2.00%	None
3–4 years	1.00%	None
4 years and thereafter	None	None

* Subscription for these purposes means the date on which Shares were issued, rather than the date of application for subscription.

The calculation is determined in a manner that results in the lowest possible rate being charged. Therefore, it is assumed that, unless otherwise specified, the redemption is applied to Share Class Indicators B and C Shares held longest by the Shareholder. The rate will be determined based on the Fund in which the Shareholder's subscription was first made. Conversion from one Fund to another will not affect the initial purchase date not the rate to be applied upon redemption for the purposes of calculating the Contingent Deferred Sales Charge.

To provide an example, assume a Shareholder purchased 100 Class B Shares in a Fund at €25 per Share (at a cost of €2,500) and in the third year after issuance the Net Asset Value per Share is €27. If at such time the Shareholder makes his first redemption of 50 Shares (proceeds of €1,350), the charge is applied only to the original cost of €25 per Share and not to the increase in Net Asset Value of €2 per Share. Therefore €1,250 of the €1,350 redemption proceeds will be charged a Contingent Deferred Sales Charge at a rate of 2.00% (the applicable rate in the third year after issuance).

The Contingent Deferred Sales Charge, if any, accrues to the Management Company and is used in whole or in part by the Management Company to defray its expenses in providing distribution-related services to the Fund relating to the sale, promotion and marketing of Share Class Indicators B and C Shares and the furnishing of services to Shareholders by sales and marketing personnel of the Management Company.

The Contingent Deferred Sales Charge (in combination with the Distribution Fee (see Section 2.5 "Charges and Expenses") in the case of Share Class Indicator B Shares) is designed to finance the distribution of Share Class Indicators B and C Shares through the Management Company and distributors without a dealer mark-up or Sales Charge assessed at the time of purchase.

WAIVER OF CONTINGENT DEFERRED SALES CHARGE

The Management Company will waive any applicable Contingent Deferred Sales Charge which may be payable on the redemption of Share Class Indicators B and C Shares where a redemption is effected pursuant to the right of the Management Company to

liquidate a Shareholder's account as described in more detail under "Compulsory Redemption" (i.e. where it is not the fault of the Shareholder which has resulted in the compulsory redemption).

The Management Company will waive any applicable Contingent Deferred Sales Charge which may be payable on the redemption of distributing Share Class Indicators B and C Shares which result from the automatic reinvestment of dividends.

In addition the Management Company may also waive all or part of any applicable Contingent Deferred Sales Charge at the Management Company's discretion.

The alternative Sales Charge arrangements permit an investor to choose the method of purchasing Shares that is most beneficial given the amount of the purchase, the length of time the investor expects to hold the Shares and individual circumstances. Investors should determine whether under their particular circumstances it is more advantageous to incur an initial Sales Charge and not be subject to Distribution Fees and a Contingent Deferred Sales Charge, or to have the entire subscription amount invested in a Fund with the investment thereafter being subject to Distribution Fees and a Contingent Deferred Sales Charge.

2.2 Issue of Shares, Subscription and Payment Procedure

The Directors are authorised without limitation to issue fully paid up Shares of any Class at any time.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share of the relevant Class.

ISSUE OF SHARES

Shares of all Classes will be issued at a price corresponding to the Net Asset Value per Share of the relevant Class in the relevant currency. For the currencies in which the Shares for the relevant Funds will be issued, please refer to the table in Section 2.7 “Net Asset Value Determination” below. Up-to-date information is available on www.morganstanleyinvestmentfunds.com or from the Management Company. Share Class Indicator A Shares of all Equity Funds, Bond Funds, Asset Allocation Funds and Alternative Investment Funds are subject to a Sales Charge calculated on the entire subscription amount in the subscription currency. Details of the minimum initial and subsequent subscriptions for a Fund and the Sales Charge are set out in Section 2.1 “Share Class Description”.

Initial applications for Shares must be made on the Company’s Application Form or in a format acceptable to the Management Company containing the information required by the Management Company and must be forwarded to the Transfer Agent in Luxembourg, or to any distributor indicated on the Application Form. Subsequent applications may be made in writing or by fax. The Management Company may also decide that initial and subsequent subscription applications may be made by electronic or other means (provided that a duly completed Application Form is received for initial subscription applications).

The Management Company or its delegate may request an investor to provide additional information to substantiate any representation made by the investor in its application. The Management Company reserves in any case the right to reject any application for Shares, in whole or in part.

All applications are made subject to this Prospectus, the latest annual report and semi-annual report, if available, the Company’s Articles of Incorporation and the Application Form.

Joint applicants must each sign the Application Form unless an acceptable Power of Attorney or other written authority is provided.

Applications for Shares in all Funds received by the Transfer Agent before the Cut-Off Point for any Dealing Day will be processed on that Dealing Day based on the Net Asset Value per Share determined for that Dealing Day.

Any applications received by the Transfer Agent after the Cut-Off Point for any Dealing Day will be processed on the next Dealing

Day on the basis of the Net Asset Value per Share next determined. Applications for Distributing Share Classes (Share Class Sub-Indicators “X” and “M”) and Discretionary Distributing Share Classes (Share Class Sub-Indicators “R” and “RM”) shall begin accruing dividends on the Dealing Day on which such orders are processed.

No distributor is permitted to withhold subscription orders to benefit themselves by a price change. Investors should note that they may be unable to purchase or redeem Shares through a distributor on days that such distributor is not open for business.

A collection agent (that is, an entity located in a Financial Action Task Force country or equivalent country, which collects subscription, redemption and conversion requests on behalf of the Management Company but does not process them) must receive an application before the Cut-Off Point for any Dealing Day in order for the Transfer Agent to process the application on the basis of the Net Asset Value per Share determined for that Dealing Day. Applications received by a collection agent after the Cut-Off Point for any Dealing Day will be processed by the Transfer Agent on the basis of the Net Asset Value per Share determined for the next Dealing Day. Where collection agents appointed by the Management Company receive subscription monies, those monies will have been subject to the anti-money laundering checks of an appointed distributor or the relevant collection agent.

The Company determines the principles of the calculation of the price or net asset value of its Shares, which are implemented by the Management Company on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Sales Charge). The Net Asset Value per Share is calculated at the valuation point following the Cut-Off Point.

The Company’s Funds are not designed for investors with short-term investment horizons. Activities which may adversely affect the interests of the Company’s Shareholders (for example that disrupt investment strategies or impact expenses) are not permitted. Specifically, market timing is not permitted.

Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, the Management Company in its discretion may, if deems such activities adversely affect the interests of the Company’s Shareholders, take action as appropriate to deter such activities.

Accordingly if the Management Company determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder’s subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Company and its Shareholders. Please refer to “Redemption of Shares” and

“Conversion of Shares” for further information in relation to the measures which may be taken.

The Company may restrict or prevent the legal or beneficial ownership of Shares in the Company by any person (individual, corporation, partnership or other entity), and take any of the measures as further set forth in the Articles of Incorporation, if in the opinion of the Company such ownership or practices may (i) result in a breach of any provisions in the Articles of Incorporation, this Prospectus or law or regulations of any jurisdiction, or (ii) requires the Company, the Management Company or the Investment Adviser to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its shares, whether in the United States of America or any other jurisdiction; or (iii) may cause the Company, the Management Company, the Investment Advisers or Shareholders any legal, regulatory, taxation, administrative, financial or any other disadvantages which they would not have otherwise incurred (such person being herein referred to as “Prohibited Persons”). In particular, the Directors have resolved to prevent the ownership of Shares by any U.S. Person (as defined pursuant to Regulation S under the U.S. Securities Act of 1933, as amended), provided however that no provisions of this Prospectus shall prevent a Morgan Stanley entity or any of its affiliates or subsidiaries from owning Shares.

The Company retains the right to offer only one Class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Company also reserves the right to adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares.

In case it would be detrimental to the existing Shareholders to accept a cash application for Shares of any Fund which, either singly or when aggregated with other applications so received in respect of any Dealing Day (the “First Dealing Day”) represents more than 10% of such Fund, the Directors may decide that all or part of such applications for Shares be deferred until the next Dealing Day so that not more than 10% of the Net Asset Value of the relevant Fund be subscribed for on the First Dealing Day.

If the Directors decide to defer all or part of such application, the applicant shall be informed prior to the deferral taking place. To the extent that any application is not given full effect on such First Dealing Day by virtue of the exercise of the power to pro-rate applications, it shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Dealing Day and, if necessary, subsequent Dealing Days, until such application shall have been satisfied in full. With respect to any application received in respect of the First Dealing Day, to the extent that subsequent applications shall be received in respect of following Dealing Days, such later applications shall be postponed until after the satisfaction of

applications relating to the First Dealing Day, but subject thereto shall be dealt with as set out in the preceding sentence.

The Management Company, in its sole and absolute discretion, retains the right to accept or refuse applications for payment for Shares in whole or in part by an in-kind subscription of suitable investments. The transaction costs incurred in connection with the acceptance by the Management Company of an in-kind subscription will be borne directly by the incoming Shareholder. Any applicable Sales Charge will be deducted before investment commences. The investments forming the in-kind subscription will be valued and a report will be issued by the Company’s auditors following their review of the methods of the valuation used by the Management Company for accepting the in-kind subscription.

Such review will be conducted in accordance with the professional recommendations of the *Institut des Réviseurs d’Entreprises*. The value determined, together with the Net Asset Value per Share calculated for the Class of Shares concerned in the relevant Fund, will determine the number of Shares to be issued to the incoming Shareholder. The purpose of the foregoing policy is to ensure that the existing Shareholders in a Fund do not bear the transaction costs of acquiring additional assets for a large incoming Shareholder.

Applicants for Shares may make payment in U.S. Dollars, Euro, Yen or Sterling. Applicants can only make payment for Currency Hedged Share Classes (Share Class Sub-Indicators “H”, “H1”, “H2”, “H3”, and “H4”) in the currency in which that share class is denominated, depending on the specific Class this may require payment in U.S. Dollars, Euro, Yen, Sterling, Australian Dollars, Mexican Peso, Singapore Dollars, Swedish Krona, Swiss francs, South African Rand or any other currency which the Management Company may decide. Where payment is made for any other Class in a currency in which the relevant Class does not issue a Net Asset Value per Share, the Administrator will arrange for the necessary currency transaction to convert the subscription monies into the Reference Currency of the relevant Fund. Any such currency transaction will be effected with the Depository or the Management Company at the applicant’s cost. Currency exchange transactions may delay any dealing in Shares as the Administrator may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

In the case of subscriptions for Shares with Share Class Indicators A, B, C and F of all Funds unless prior arrangements have been made, cleared funds must be received by the Transfer Agent on the Business Day prior to the relevant Dealing Day in order for the Applicant to receive the Net Asset Value per Share determined for that Dealing Day.

In the case of subscription for Shares with Share Class Indicators I, J, N, S and Z for all Funds, cleared funds must be received by the Transfer Agent by 1 p.m. CET, within three Business Days after the Dealing Day.

Full payment instructions are set out in the Application Form and may also be obtained through the Management Company, a distributor or the Transfer Agent. Applicants for Shares should note that cheques are not accepted as means of payment.

Where Shares are subscribed through a distributor, different payment arrangements to those set out above may apply and will be available from the relevant distributor.

If timely settlement is not made (or a completed Application Form is not received for an initial subscription), the relevant allotment of Shares may be cancelled and the subscription monies returned to the applicant without interest. Alternatively, if payment is received in respect of any application after the settlement date, the Management Company will consider the application as being an application for the number of Shares which can be purchased or subscribed with such payment on the next Dealing Day. An applicant may be required to compensate the relevant distributor and/or the Company for the costs of late or non-payment. The Management Company will have the power to redeem all or part of the applicant's holding of Shares in order to meet such costs.

CONFIRMATION NOTES

A Confirmation Note is sent to the applicant by ordinary post (or by fax, electronic or other means) on the Dealing Day the order is processed, providing full details of the transaction.

It is recommended that applicants check Confirmation Notes on receipt.

All Shares are issued in registered form and the share register is conclusive evidence of ownership. The Company treats the registered owner of a Share as the absolute and beneficial owner thereof.

Shares are issued in uncertificated form. The uncertificated form enables the Management Company to effect redemption instructions without undue delay.

The Management Company may permit any distributor to be involved in the collection of subscription, redemption and conversion orders on behalf of the Company and any of the Funds and may itself or arrange for a third party (including a distributor) to, in that case, provide a nominee service for applicants purchasing Shares through them. Applicants may elect, but are not obliged, to make use of such nominee service pursuant to which the nominee will hold Shares in its name for and on behalf of the applicants who shall be entitled at any time to claim direct title to the Shares and who, in order to empower the nominee to vote at any general meeting of Shareholders, shall provide the nominee with specific or general voting instructions to that effect. Applicants retain the ability to directly invest in the Company without using a nominee service.

Applicants are allocated a Shareholder number on acceptance of their application and this together with the Shareholder's personal details are proof of identity. This Shareholder number should be used for all future dealings by the Shareholder with the Management Company or the Transfer Agent.

Any changes to the Shareholder's personal details or loss of Shareholder number must be notified immediately to the Transfer Agent in writing. Failure to do so may result in delay upon redemption. The Management Company on behalf of the Company reserves the right to require an indemnity or verification countersigned by a bank, stockbroker or other party acceptable to it before accepting such instructions.

If any application is not accepted in whole or in part the application monies or the balance outstanding will be returned to the applicant by post or bank transfer at the applicant's risk.

GENERAL PROVISIONS

The Management Company reserves the right to reject any application or to accept the application in part only. Furthermore, the issue and sale of Shares of any Class in any or all Funds may be discontinued without notice.

Subscriptions will be accepted upon verification by the Management Company that the relevant investors have received a KID of the Class of Share into which they intend to subscribe.

Pursuant to the Law of 19 February 1973 on the sale of medicinal substances and the defence against drug addiction, as last amended by the Law of 11 August 1998, to the Law of 12 November 2004 relating to the fight against money laundering and financing of terrorism, and the relevant Circulars issued by the Luxembourg Supervisory Authority, Luxembourg has regulations in place for the prevention of money laundering from drug trafficking proceeds. As a result, evidence of the identity of subscribers, including the provision of supporting documentation, may be required by the Management Company. Such information may be collected at the time an application for Shares is made.

No Shares will be issued by the Company during any period when the calculation of the Net Asset Value per Share of the relevant Fund is suspended by the Company pursuant to the powers reserved to it by its Articles of Incorporation and as discussed herein under "Temporary Suspension of Calculation of Net Asset Value".

Notice of any such suspension will be given to applicants for Shares and applications made or pending during such suspension may be withdrawn by notice in writing received by the Management Company prior to the Cut-Off Point in respect of the first Dealing Day following the end of such suspension. Applications which are not withdrawn will be considered on the first Dealing Day following the end of the suspension period.

DIRECTORS' POWERS

The Directors may, at any time and in their discretion, resolve to close a Fund or one or more Class of Shares to subscriptions or conversions for a period of time. The circumstances in which they may do so include, but are not limited to, circumstances where the strategy run by the relevant Investment Adviser or Sub-Adviser, of which the Fund forms part, has reached a size where, in the opinion of the Investment Adviser or Sub-Adviser, the universe of securities in which the strategy may invest may become too small to enable the Investment Adviser or Sub-Adviser to continue to invest the assets of the strategy effectively if the Fund, and therefore the strategy, continues to grow. Such Funds may be re-opened at any time by a resolution of the Directors.

In exercising the discretion provided above, the Directors may, at any time, decide to close a Fund or a Share Class and not to accept any further investment into the relevant Fund or Share Class (i) from investors who have not yet invested into the said Funds or into the said Share Classes (“Soft Closure”) or (ii) from any investor including investors already invested in the relevant Fund or Share Class (“Hard Closure”).

Decisions taken by the Directors on Soft Closure and Hard Closure may have immediate or non-immediate effect and may be effective for an unspecified period of time.

In relation thereto, a notification will be displayed on the website www.morganstanleyinvestmentfunds.com and if applicable on other Morgan Stanley Investment Management websites, and will be updated according to the status of the said Shares Classes or Funds.

ANTI-DILUTION MEASURES

As investors enter or exit a fund, the potential purchase and sale of securities may incur trading costs such as bid/ask spreads, brokerage fees, transaction charges and taxes. These costs are charged to the fund and are borne by all remaining shareholders of the fund, an effect known as dilution which can impact the remaining shareholders’ returns on their investment in the fund.

In order to protect remaining shareholders from dilution, the Management Company may adjust the NAV of a Fund to reflect these estimated trading costs, a mechanism known as swing pricing.

When net investor activity in a Fund exceeds a certain threshold (“Swing Threshold”) on a given Dealing Day, the NAV is adjusted by a factor (“Swing Factor”), upwards in case of net subscriptions and downwards in case of net redemptions. In either case, the swung NAV applies to all transactions, regardless of direction, not the specific circumstances of each individual investor transaction.

For each Fund, the Swing Factor shall not exceed 2% of the NAV in normal market conditions, however, the Management Company

may decide to temporarily increase this limit in exceptional circumstances (e.g. stressed or dislocated markets resulting in increased trading costs beyond the 2% cap) to protect Shareholders’ interests. This decision would be communicated to Shareholders through the usual communication channels, as outlined in Section 2.6 “Publication of Net Asset Value”.

2.3 Redemption of Shares

Shares may be redeemed on any Dealing Day subject to the limitations described below. Shares of all Classes will be redeemed at a price corresponding to the Net Asset Value per Share of the relevant Class in the relevant currency.

PROCEDURE FOR REDEMPTION

Shareholders wishing to have all or some of their Shares redeemed may do so by fax or by letter to the Transfer Agent or to a distributor. The Management Company may also decide that applications for redemptions may be made by electronic or other means.

The application for redemption must include (i) the monetary amount the Shareholder wishes to redeem, or (ii) the number of Shares the Shareholder wishes to redeem. In addition, the application for redemption must include the Shareholder's personal details together with the Shareholder's account number. Failure to provide any of this information may result in delay of the application for redemption whilst verification is being sought from the Shareholder.

Upon redemption of Distributing Share Classes (Share Class Sub-Indicators "X" and "M") and Discretionary Distributing Share Classes (Share Class Sub-Indicators "R" and "RM"), all dividends will accrue up to, and including, the Dealing Day on which such orders are processed. Holders of Share Class Indicators B and C Distributing Share Classes and Discretionary Distributing Share Classes Shares may be subject to a Contingent Deferred Sales Charge in accordance with Section 2.1 "Share Class Description".

Such applications for redemption will be considered as binding and irrevocable by the Company except in the event of a suspension of the calculation of the Net Asset Value per Share. Written confirmations may be required by the Management Company and must be duly signed by all registered holders, unless in the case of joint registered holders, each such holder has sole signing authority.

Applications for redemption from all Funds received by the Transfer Agent before the Cut-Off Point for any Dealing Day will be processed on that Dealing Day based on the Net Asset Value per Share determined for that Dealing Day. Any applications received by the Transfer Agent after the Cut-Off Point for any Dealing Day will be processed on the next Dealing Day on the basis of the Net Asset Value per Share next determined.

No distributor is permitted to withhold redemption orders received to benefit themselves by a price change. Investors should note that they may be unable to redeem Shares through a distributor on days that such distributor is not open for business.

A collection agent (that is, an entity located in a Financial Action Task Force country or equivalent country, which collects subscription, redemption and conversion requests on behalf of the

Management Company but does not process them) must receive an application for redemption before the Cut-Off Point for any Dealing Day in order for the Transfer Agent to process the application on the basis of the Net Asset Value per Share determined for that Dealing Day. Applications received by a collection agent in respect of a Dealing Day after the Cut-Off Point will be processed by the Transfer Agent on the basis of the Net Asset Value per Share determined for the next Dealing Day.

The Company determines the principles of the calculation of the price or net asset value of its Shares, which are implemented by the Management Company on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Sales Charge). The Net Asset Value per Share for a Dealing Day is calculated at the valuation point following the Cut-Off Point.

The Company's Funds are not designed for investors with short-term investment horizons. Activities which may adversely affect the interests of the Company's Shareholders (for example that disrupt investment strategies or impact expenses) are not permitted. Specifically, market timing is not permitted.

Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, the Management Company in its discretion may, if it deems such activities adversely affect the interests of the Company's Shareholders, take action as appropriate to deter such activities.

Accordingly if the Management Company determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder's application and take any action or measures as appropriate or necessary to protect the Company and its Shareholders. A redemption fee of up to 2% of an individual redemption may be applied where the Management Company, in its discretion, determines that the shareholder has engaged in trading practices which adversely affect the interests of the Company's shareholders or where it is otherwise appropriate to protect the interest of the Company. The fee is retained for the benefit of continuing Shareholders of the relevant Fund.

A Confirmation Note providing full details of the transaction and the redemption proceeds is sent to the applicant by ordinary post (or by fax, electronic or other means) on the Dealing Day the order is processed.

It is recommended that applicants check Confirmation Notes on receipt.

Payment for Shares redeemed will be effected during the Settlement Period.

Unless otherwise specified by the Shareholder on the application for redemption, such redemption will be paid in the Reference Currency of the Fund or, if applicable, in the currency which the Currency Hedged Share Class is denominated from which the Shareholder is redeeming. If necessary, the Administrator will arrange the currency transaction to convert the redemption monies from the Reference Currency of the relevant Fund into the relevant currency. Such currency transaction will be effected with the Depository or the Management Company at the Shareholder's cost if the currency is not one in which the Net Asset Value per Share of the Class from which the Shareholder is redeeming is issued. The Directors reserve the right to delay payment for up to ten Business Days from the relevant Dealing Day if market conditions are unfavourable where it considers such action to be in the best interests of the remaining Shareholders.

TEMPORARY SUSPENSION OF REDEMPTION

The redemption of Shares of the Company will be suspended during any period when the calculation of the Net Asset Value per Share of the relevant Class is suspended in accordance with the section "Temporary Suspension of Calculation of Net Asset Value" herein. Any Shareholder tendering Shares for redemption will be notified of such period of suspension. The Shares in question will be redeemed on the first Dealing Day following the end of the suspension period.

If a period of suspension lasts for more than one calendar month after the date of an application for redemption, the application may be cancelled by the Shareholder by notice in writing to a distributor or to the Management Company, provided that the notice is received by the distributor or the Management Company prior to any relevant deadline notified to the Shareholder on the last Dealing Day of the suspension period.

COMPULSORY REDEMPTION

If the Net Asset Value of any Fund or Class of Shares at any valuation point shall become at any time less than 100 million Euros, or its equivalent in the Reference Currency of the relevant Fund, the Company may, at its discretion, redeem all but not less than all of the Shares of the applicable Classes of Shares in compliance with the procedure set forth under *Dissolution* of Section 3.1 "General Information".

A Contingent Deferred Sales Charge, if applicable, will not be levied on the redemption proceeds of Share Class Indicators B and C Shares subject to this type of compulsory redemption.

If the Management Company receives a request for redemption of Shares relating to: (i) part of a holding of Shares with a value of less than \$2,500 or its equivalent, or (ii) if after redemption the holder would be left with a balance of Shares having a value of less than the current minimum holding amount or less than US\$100 or its equivalent, the Company may 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 either compulsorily redeem their holding or convert their holding into another Share Class.

If it shall come to the attention of the Company at any time that Shares are beneficially owned by a Prohibited Person, either alone or in conjunction with any other person, and the Prohibited Person fails to comply with the direction of the Company to sell his Shares and to provide the Company with evidence of such sale within thirty days of being so directed by the Company, the Company may in its discretion take any of the measures as further set forth in the Articles of Incorporation, including compulsorily redeem such Shares at their Redemption Price in accordance with the Articles of Incorporation. Immediately after the close of business specified in the notice given to the Prohibited Person of such compulsory redemption, the Shares will be redeemed and such investors will cease to be the owners of such Shares. Share Class Indicators B and C Shareholders should note that in these circumstances, if applicable, a Contingent Deferred Sales Charge will be levied on the redemption proceeds. In particular, if a Shareholder holds less than the minimum holding amount, or does not fall within the target audience for a Class of Shares as prescribed under Section 2.1 "Share Class Description", the Company may, upon providing them with one month's notice, compulsorily redeem their holding in compliance with the procedure as mentioned above.

Any Shareholder or prospective Shareholder may be required to furnish with any information which it may consider necessary for the purpose of determining whether or not the beneficial owner of such Shares is or will be a Prohibited Person.

PROCEDURES FOR REDEMPTIONS AND CONVERSIONS REPRESENTING TEN PERCENT OR MORE OF ANY FUND

If any application for redemption or conversion is received in respect of any one Dealing Day (the "First Dealing Day") which either singly or when aggregated with other applications so received, is more than 10% of the Net Asset Value of any one Fund, the Company reserves the right in its sole and absolute discretion (and acting in the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such First Dealing Day so that not more than 10% of the Net Asset Value of the relevant Fund be redeemed or converted on such First Dealing Day. In circumstances where the 10% threshold is met as a result of the aggregation of a number of applications, only those applications exceeding a threshold, currently 2%, of the Net Asset Value of the relevant Fund, will be scaled down pro rata. For example, if applications representing 1%, 3%, 5% and 6% of the Net Asset Value of a Fund are received, only the applications representing 3%, 5% and 6% will be scaled down pro rata. The Company may in its discretion change the threshold as it may decide is appropriate in which case the Prospectus will be amended accordingly.

To the extent that any application is not given full effect on such First Dealing Day by virtue of the exercise of the power to pro-rate applications, it shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Dealing Day and, if necessary, subsequent Dealing Days, until such application shall have been satisfied in full. With respect to any application received in respect of the First Dealing Day, to the extent that subsequent applications shall be received in respect of following Dealing Days, such later applications shall be postponed until after the satisfaction of applications relating to the First Dealing Day, but subject thereto shall be dealt with as set out in the preceding sentence.

Alternatively, the Management Company, in its sole and absolute discretion, may ask such Shareholder to accept payment in whole or in part by an in-kind distribution of securities in lieu of cash. The securities forming the in-kind distribution will be valued and a valuation report obtained from the Company's auditors in connection with the in-kind distribution. Investors who receive securities in lieu of cash upon redemption should note that they may incur brokerage and/or local tax charges on the sale of the securities. In addition, the net proceeds from the sale by the redeeming Shareholder of the securities may be more or less than the Redemption Price due to market conditions and/or the difference between the prices used to calculate the Net Asset Value per Share and bid prices received on the sale of the securities. In the event that a Contingent Deferred Sales Charge is payable on the redemption proceeds of the Share Class Indicators B and C Shares, securities will be retained by the Company to cover such Contingent Deferred Sales Charge before the remaining securities are transferred to the redeeming Shareholder. No Shareholder can be required to accept an in-kind distribution against their will. To the extent that a Shareholder refuses payment in whole or in part by an in-kind distribution of securities in lieu of cash, such redemption will be paid in the Reference Currency of the Fund or, if applicable, in the currency which the Currency Hedged Share Class is denominated from which the Shareholder is redeeming.

ANTI-DILUTION MEASURES

As investors enter or exit a fund, the potential purchase and sale of securities may incur trading costs such as bid/ask spreads, brokerage fees, transaction charges and taxes. These costs are charged to the fund and are borne by all remaining shareholders of the fund, an effect known as dilution which can impact the remaining shareholders' returns on their investment in the fund.

In order to protect remaining shareholders from dilution, the Management Company may adjust the NAV of a Fund to reflect these estimated trading costs, a mechanism known as swing pricing.

When net investor activity in a Fund exceeds a certain threshold ("Swing Threshold") on a given Dealing Day, the NAV is adjusted by a factor ("Swing Factor"), upwards in case of net subscriptions and downwards in case of net redemptions. In either case, the swung NAV applies to all transactions, regardless of direction, not the specific circumstances of each individual investor transaction.

For each Fund, the Swing Factor shall not exceed 2% of the NAV in normal market conditions, however, the Management Company may decide to temporarily increase this limit in exceptional circumstances (e.g. stressed or dislocated markets resulting in increased trading costs beyond the 2% cap) to protect Shareholders' interests. This decision would be communicated to Shareholders through the usual communication channels, as outlined in the Section 2.6 "Publication of Net Asset Value".

2.4 Conversion of Shares

Shareholders are entitled to convert all or part of their Shares of one Fund into Shares of the same Class of other Funds and may also convert from one Class of Shares of a Fund into other Classes of Shares of that Fund or other Funds in accordance with the table below, without charge, except as otherwise provided below and provided that the Shareholder meets the eligibility criteria for the Class of Share into which they are converting, as detailed in Section 2.1 “Share Class Description” above.

Conversions are always processed in a common currency. Where conversion is between Share Classes whose net asset values are issued in a common currency, the conversion will be processed in the common currency specified by the investor. Where there is not a common currency between the net asset values of the converting

Share Classes, then no conversion is possible except with the specific approval of the Management Company and the investor will need to redeem their holding and subscribe for their chosen Share Class in the appropriate currency.

No conversions will be accepted out of the Saudi Equity Fund.

The Management Company may, at its discretion, accept other conversions than those detailed as permissible in the table below. In certain jurisdictions, where conversions are submitted via a third party agent, different arrangements may apply and the permitted conversions may differ from those set out in the following table. Investors should contact their third party agent for more information.

		INTO								
Share Class Indicator		A	B	C	F	I	J	N	S	Z
O U T O F	A	✓	X	X	✓	✓	X	X	X	✓
	B	✓	✓	X	✓	✓	X	X	X	X
	C	X	X	✓	✓	✓	X	X	X	X
	F	X	X	X	✓	✓	X	X	X	X
	I	✓	X	X	✓	✓	X	X	✓	✓
	J	X	X	X	X	X	X	X	X	X
	N	X	X	X	X	X	X	✓	X	X
	S	X	X	X	X	X	X	X	✓	✓
	Z	X	X	X	X	X	X	X	✓	✓

Applications may be sent in writing by fax to the Transfer Agent or to a distributor stating which Shares are to be converted. The Management Company may also decide that applications for conversion may be made by electronic or other means. The application for conversion must include (i) the monetary amount the Shareholder wishes to convert or (ii) the number of Shares the Shareholder wishes to convert, together with the Shareholder’s personal details and Shareholder’s account number. Failure to provide any of this information may result in delay of the application for conversion whilst verification is being sought from the Shareholder. The period of notice is the same as for applications for redemption. The application for conversion must be accompanied, as appropriate, by the registered share certificate or by a form of transfer, duly completed, or by any other document providing evidence of transfer.

The Management Company may refuse to accept a conversion application if it is detrimental to the interests of the Company or the Shareholders taking into account the monetary amount or number of Shares to be converted, market conditions or any other

circumstances. The Management Company may, for example, at its discretion, decide to refuse a conversion application to protect a Fund and the Shareholders from the effects of short-term trading or may limit the number of conversions between Funds which are permitted.

A conversion fee of up to 2% may be applied by the Management Company, in its discretion, determine that the shareholder has engaged in trading practices which adversely affect the interests of the Company’s shareholders or where it is otherwise appropriate to protect the interest of the Company and its shareholders. The fee is retained for the benefit of continuing Shareholders of the relevant Fund.

Conversion within Share Class Indicators A, C, I and Z Shares from one Fund to another Fund, will not result in a Sales Charge being levied on the amount to be converted.

Conversion within Share Class Indicators B and C Shares from one Fund to another Fund will not affect the initial purchase date nor the rate which will be applied upon redemption from the new Fund, as the rate which will be applied will be determined based on the first Fund in which the Shareholder purchased Shares. Any conversion of Class B Shares to any other Class of Shares of any Fund within four years of the subscription date will be treated as a redemption and may be subject to a Contingent Deferred Sales Charge as detailed in Section 2.1 “Share Class Description”. Any conversion of Share Class Indicator C Shares to any other Class of Shares of any Fund within less than one year of the subscription date will be treated as a redemption and may be subject to a Contingent Deferred Sales Charge as detailed in Section 2.1 “Share Class Description”.

Shareholders should note that if an application for conversion relates to a partial conversion of an existing holding and the remaining balance within the existing holding is below the minimum requirement (which is the current minimum initial subscription amount as detailed in this Prospectus), the Company is not bound to comply with such application for conversion.

If a Shareholder holds less than the minimum holding amount for a class of Shares as prescribed under Section 2.1 “Share Class Description”, the Management Company may, upon providing them with one month’s notice, compulsorily convert such Shareholder’s holding into another class of Shares.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share of a relevant Class.

For all Funds, applications for conversion received by the Transfer Agent on any Dealing Day before the Cut-Off Point will be processed on that Dealing Day based on the Net Asset Value per Share determined on that Dealing Day using the relevant valuation methodology for the particular Fund. Any applications received after the Cut-Off Point will be processed on the next Dealing Day on the basis of the Net Asset Value per Share next determined.

Applications for conversion received before the Cut-Off Point in respect of a Dealing Day shall begin accruing dividends on that Dealing Day.

A collection agent (that is, an entity located in a Financial Action Task Force country or equivalent country, which collects subscription, redemption and conversion requests on behalf of the Management Company but does not process them) must receive an application for conversion in respect of a Dealing Day before the Cut-Off Point in order for the Transfer Agent to process the application on the basis of the Net Asset Value per Share determined for that Dealing Day. Applications received by a collection agent after the Cut-Off Point will be processed by the

Transfer Agent on the basis of the Net Asset Value per Share determined for the next Dealing Day.

Investors should note that they may be unable to convert Shares through a distributor on days that such distributor is not open for business.

The Company determines the principles of the calculation of the price or net asset value of its Shares, which are implemented by the Management Company on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Sales Charge). The Net Asset Value per Share is calculated at the valuation point following the Cut-Off Point.

The Company’s Funds are not designed for investors with short-term investment horizons. Activities which may adversely affect the interests of the Company’s Shareholders (for example that disrupt investment strategies or impact expenses) are not permitted. Specifically, market timing is not permitted.

Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, the Management Company in its discretion may, if it deems such activities adversely affect the interests of the Company’s Shareholders, take action as appropriate to deter such activities.

Accordingly if the Management Company determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder’s subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Company and its Shareholders.

Applications for conversion in respect of any one Dealing Day which either singly or when aggregated with other applications for conversion or redemption so received, represent more than 10% of the Net Asset Value of any one Fund, may be subject to additional procedures set forth herein under “Procedures for Redemptions and Conversions Representing Ten Percent or more of any Fund”.

The rate at which all or part of the Shares in a given Fund (the “Original Fund”) are converted into Shares in another Fund (the “New Fund”), or all or part of the Shares of a particular Class (the “Original Class”) are converted into another Class within the same Fund (the “New Class”), is determined in accordance with the following formula:

$$A = \frac{B \times C \times E}{D}$$

where:

- A is the number of Shares to be allocated in the New Fund or New Class;
- B is the number of Shares of the Original Fund or Original Class which is to be converted;
- C is the Net Asset Value per Share of the Original Class or the relevant Class within the Original Fund at the relevant valuation point;
- D is the Net Asset Value per Share of the New Class or the relevant Class within the New Fund at the relevant valuation point; and
- E is the actual rate of exchange on the day concerned applied to conversions between Funds denominated in different currencies, and is equal to 1 in relation to conversions between Funds or Classes denominated in the same currency.

After conversion of the Shares, the Transfer Agent will inform the Shareholder of the number of Shares of the New Fund or New Class obtained by conversion and the price thereof. A Confirmation Note will be sent to the Shareholder by ordinary post (or by fax, electronic or other means) on the Dealing Day, providing full details of the transaction.

It is recommended that applicants check Confirmation Notes on receipt.

Requests for conversions will be accepted upon verification by the Management Company that the relevant shareholders have received a KID of the Class of Share into which they intend to convert.

Any fractions of Shares can be allotted and issued unless the Shareholder holds Shares through Euroclear (see Section 3.1 "General Information").

Shareholder should be aware that the Directors have the discretion to cease accepting any conversions in to any particular Share Class or Fund in the circumstances set out under the heading "Directors Powers" in section 2.2 above.

2.5 Charges and Expenses

Under the terms of the Management Company Services Agreement the Management Company is entitled to receive a Management Fee, accrued daily and paid monthly, at the annual rates set out below, based on the average daily Net Asset Value of each Class of Shares with the relevant Share Class Indicator. Under the Investment Advisory Agreements the Investment Advisers are entitled to receive a fee for their discretionary investment management and investment advisory services. The fees of the Investment Adviser will be paid out of the Management Fee.

Management Fee	Share Class Indicators: A and B	Share Class Indicators: C F, I and Z	Share Class Indicator: J	Share Class Indicator: S	
Equity Funds					
American Resilience Fund	1.60%	2.40%	0.70%	0.50%	0.70%
Asia Opportunity Fund	1.60%	2.40%	0.75%	0.65%	0.75%
Asian Property Fund	1.40%	2.20%	0.75%	N/A	0.75%
Calvert Global Equity Fund	1.75%	2.35%	0.70%	0.35%	0.70%
Calvert Sustainable Climate Aligned Fund	1.25%	1.65%	0.50%	0.25%	0.50%
Calvert Sustainable Climate Transition Fund	1.90%	2.50%	0.75%	0.45%	0.75%
Calvert Sustainable Developed Europe Equity Select Fund	1.0%	1.35%	0.40%	0.20%	0.40%
Calvert Sustainable Developed Markets Equity Select Fund	1.0%	1.35%	0.40%	0.20%	0.40%
Calvert Sustainable Diversity, Equity and Inclusion Fund	1.25%	1.65%	0.50%	0.25%	0.50%
Calvert Sustainable Emerging Markets Equity Select Fund	1.25%	1.65%	0.50%	0.25%	0.50%
Calvert Sustainable US Equity Select Fund	1.0%	1.35%	0.40%	0.20%	0.40%
Calvert US Equity Fund	1.65%	2.15%	0.65%	0.35%	0.65%
China A-shares Fund	1.70%	2.40%	0.70%	0.55%	0.70%
China Equity Fund	1.70%	2.40%	0.70%	0.50%	0.70%
Counterpoint Global Fund	1.60%	2.40%	0.80%	0.60%	0.80%
Developing Opportunity Fund	2.00%	2.65%	0.80%	0.60%	0.80%
Emerging Leaders Equity Fund	1.90%	2.60%	0.75%	N/A	0.75%
Europe Opportunity Fund	1.50%	2.20%	0.75%	0.40%	0.75%
European Property Fund	1.40%	2.20%	0.75%	N/A	0.75%
Global Brands Equity Income Fund	1.75%	2.50%	0.85%	0.55%	0.85%
Global Brands Fund	1.60%	2.40%	0.75%	N/A	0.75%
Global Core Equity Fund	1.35%	1.80%	0.55%	N/A	0.55%

Management Fee	Share Class Indicators: A and B	Share Class Indicators: C F, I and Z	Share Class Indicator: J	Share Class Indicator: S	
Equity Funds					
Global Endurance Fund	1.60%	2.40%	0.75%	N/A	N/A
Global Focus Property Fund	1.90%	2.50%	0.75%	0.45%	0.75%
Global Infrastructure Fund	1.50%	2.30%	0.85%	N/A	0.85%
Global Insight Fund	1.60%	2.40%	0.75%	N/A	0.75%
Global Opportunity Fund	1.60%	2.40%	0.75%	N/A	0.75%
Global Permanence Fund	1.60%	2.40%	0.75%	N/A	N/A
Global Property Fund	1.50%	2.30%	0.85%	N/A	0.85%
Global Quality Fund	1.60%	2.40%	0.75%	N/A	0.75%
Global Sustain Fund	1.50%	2.30%	0.65%	0.50%	0.65%
Indian Equity Fund	1.60%	2.40%	0.75%	N/A	0.75%
International Resilience Fund	1.60%	2.40%	0.75%	N/A	0.75%
Japanese Equity Fund	1.40%	2.20%	0.75%	N/A	0.75%
Japanese Small Cap Equity Fund	1.90%	2.50%	0.75%	0.45%	0.75%
NextGen Emerging Markets Fund	1.60%	2.40%	1.10%	N/A	1.10%
Parametric Emerging Markets Fund	1.40%	1.85%	0.55%	N/A	0.55%
Parametric Global Defensive Equity Fund	1.35%	1.60%	0.45%	N/A	0.45%
Saudi Equity Fund	1.90%	2.50%	0.75%	0.40%	N/A
Sustainable Asia Equity Fund	1.40%	2.20%	0.75%	N/A	0.75%
Sustainable Emerging Markets Equity Fund	1.60%	2.40%	1.10%	N/A	1.10%
Tailwinds Fund	1.75%	2.35%	0.70%	0.45%	0.70%
US Advantage Fund	1.40%	2.20%	0.70%	N/A	0.70%
US Core Equity Fund	1.10%	1.50%	0.45%	N/A	0.45%
US Focus Property Fund	1.75%	2.35%	0.70%	0.40%	0.70%
US Growth Fund	1.40%	2.20%	0.70%	N/A	0.70%
US Insight Fund	1.50%	2.20%	0.70%	N/A	0.70%
US Permanence Fund	1.40%	2.20%	0.70%	N/A	N/A
US Property Fund	1.40%	2.20%	0.75%	N/A	0.75%
US Value Fund	1.50%	2.00%	0.60%	0.34%	0.60%
Vitality Fund	1.90%	2.50%	0.75%	0.45%	0.75%
Bond Funds					
Calvert Global High Yield Bond Fund	1.50%	N/A	0.60%	0.30%	0.60%
Calvert Sustainable Global Green Bond Fund	1.15%	1.50%	0.45%	0.25%	0.45%
Emerging Markets Corporate Debt Fund	1.45%	2.15%	0.75%	N/A	0.75%

Management Fee	Share Class	Share Class	Share Class	Share Class	Share Class	Management Fee	Share Class	Share Class	Share Class	Share Class	Share Class
	Indicators: A and B	Indicators: C	Indicators: F, I and Z	Indicators: J	Indicators: S		Indicators: A and B	Indicators: C	Indicators: F, I and Z	Indicators: J	Indicators: S
Bond Funds						Asset Allocation Funds					
Emerging Markets Debt Fund	1.40%	2.10%	0.65%	N/A	0.60%	US Dollar Corporate Bond Fund	0.80%	1.35%	0.35%	0.20%	0.35%
Emerging Markets Debt Opportunities Fund	1.40%	2.10%	0.65%	0.32%	0.65%	US Dollar Short Duration Bond Fund	0.50%	0.70%	0.20%	N/A	0.20%
Emerging Markets Domestic Debt Fund	1.40%	2.10%	0.65%	N/A	0.65%	US Dollar Short Duration High Yield Bond Fund	1.00%	1.30%	0.40%	0.20%	0.40%
Emerging Markets Fixed Income Opportunities Fund	1.40%	1.90%	0.70%	0.35%	0.70%	US High Yield Bond Fund	1.25%	1.75%	0.60%	0.30%	0.60%
Emerging Markets Local Income Fund	1.40%	2.10%	0.65%	0.32%	0.65%	US High Yield Middle Market Bond Fund	1.25%	1.70%	0.50%	0.25%	0.50%
Euro Bond Fund	0.80%	1.45%	0.45%	N/A	0.45%	Alternative Investment Funds					
Euro Corporate Bond Fund	0.80%	1.45%	0.45%	N/A	0.40%	Global Balanced Defensive Fund	1.00%	1.70%	0.40%	N/A	0.40%
Euro Corporate Bond – Duration Hedged Fund	0.80%	1.45%	0.45%	N/A	0.40%	Global Balanced Fund	1.50%	2.20%	0.60%	N/A	0.60%
Euro Strategic Bond Fund	0.80%	1.45%	0.45%	N/A	0.40%	Global Balanced Income Fund	1.50%	2.20%	0.60%	N/A	0.60%
European Fixed Income Opportunities Fund	1.00%	1.45%	0.45%	0.25%	0.45%	Global Balanced Risk Control Fund of Funds	2.00%	2.70%	0.80%	N/A	0.80%
European High Yield Bond Fund	0.85%	1.50%	0.50%	N/A	0.50%	Global Balanced Sustainable Fund	1.50%	2.00%	0.60%	0.35%	0.60%
Floating Rate ABS Fund	0.75%	1.00%	0.30%	0.15%	0.30%	Alternative Investment Funds					
Global Asset Backed Securities Focused Fund	1.00%	1.60%	0.50%	0.31%	0.50%	Parametric Commodity Fund	1.40%	1.85%	0.55%	N/A	0.55%
Global Asset Backed Securities Fund	1.00%	1.60%	0.50%	N/A	0.50%	Systematic Liquid Alpha Fund	1.65%	2.15%	0.65%	0.35%	0.65%
Global Bond Fund	0.80%	1.45%	0.45%	N/A	0.45%	No Management Fee is payable in respect of Share Class Indicator N Shares.					
Global Convertible Bond Fund	1.00%	1.60%	0.60%	N/A	0.55%	Where the Management Company and its affiliates invest on behalf of clients, or their clients invest directly into Share Class Indicator N Shares, such clients may pay to the Management Company or its affiliates a base management fee, a performance fee or a mixture of both a base management fee and a performance fee.					
Global Credit Fund	0.80%	1.45%	0.45%	N/A	0.45%						
Global Credit Opportunities Fund	1.15%	1.50%	0.45%	0.23%	0.45%						
Global Fixed Income Opportunities Fund	1.00%	1.45%	0.45%	N/A	0.45%						
Global High Yield Bond Fund	1.00%	1.60%	0.60%	N/A	0.60%						
Global Macro Fund	2.00%	2.65%	0.80%	N/A	0.80%						
Short Duration US Government Income Fund	1.00%	1.35%	0.40%	0.20%	0.40%						
Short Maturity Euro Bond Fund	0.80%	1.45%	0.45%	N/A	0.45%						
Short Maturity Euro Corporate Bond Fund	0.45%	0.55%	0.17%	0.09%	0.17%						
Sustainable Euro Corporate Bond Fund	1.15%	1.50%	0.45%	0.20%	0.45%						
Sustainable Euro Strategic Bond Fund	1.15%	1.50%	0.45%	0.20%	0.45%						
Bond Funds											

Pursuant to the Management Company Services Agreement, the Equity Funds, Bond Funds, Asset Allocation Funds and Alternative Investment Funds will pay the Management Company a Distribution Fee, accrued daily and paid monthly, at the annual rate of 1.00% of the average daily Net Asset Value of Shares with a Share Class Indicator B as compensation for providing distribution-related services to the Funds with respect to such Shares.

The Management Company may pay an amount of any Distribution Fee it receives to distributors with whom it has distribution agreements. Additionally, the Management Company or Investment Adviser(s) may pay a portion of the Management Fee related to any Share Class to distributors, dealers or other entities that assist the Management Company or Investment Adviser(s) in the performance of their duties or provide services, directly or indirectly, to the Funds or their Shareholders, and may pay a portion of the Management Fee related to any Share Class on a negotiated basis in a private arrangement with a holder or prospective holder of Shares. The selection of holders or prospective holders of Shares with whom such private arrangements may be made and the terms on which the Management Company or Investment Adviser(s) or their affiliates, designees or placement agents may enter into such private arrangements are a matter for the Management Company or Investment Adviser(s) except that the Investment Adviser(s) may not enter into any such arrangements unless, as a condition of any such arrangements, neither the Company nor the Management Company will thereby incur any obligation or liability whatsoever.

The Funds will also be subject to a monthly Administration Charge at a current maximum annual rate of 0.25% of the Funds' aggregate average daily Net Asset Value attributable to all Classes of Shares of the Funds which will be applicable as follows:

Share Class Indicator	Administration Charge
A, B, C, and F	0.19%
I and J	0.14%
S, N and Z	0.10%

The Administration Charge will remain in force for an unlimited period and may be changed by the Management Company upon no less than one month's prior written notice. The Administration Charge will be utilised by the Company to pay the fees of the Administrator, the Transfer Agent, the Domiciliary Agent and the Management Company. The Funds will also pay other expenses incurred in the operation of the Company out of the Administration Charge including, without limitation, formation expenses of new Funds, the fees of the Depositary, expenses for legal and auditing services, cost of any proposed listings, maintaining such listings, expenses which relate to the administrative or operational support of distribution (including the fees of local representatives or paying agents, platform fees and related administrative services), reporting

and publishing expenses (including preparing, printing, advertising and distributing Shareholders' reports and prospectuses), the remuneration of the Directors including all reasonable out-of-pocket expenses, registration fees and other expenses due to supervisory authorities in various jurisdictions, insurance, interest, and the costs of publication of the Net Asset Value per Share, whether such publication is required for regulatory purposes or otherwise. As the amount of such expenses varies, the Administration Charge may generate a surplus or a loss for the Management Company. The Management Company may retain surpluses but will not seek to recover losses.

Certain Funds and Share Classes will also pay Specific Additional Costs in addition to the Administration Charge, including, without limitation, *taxe d'abonnement*, additional custody fees applicable to investment in emerging markets, hedging expenses and the costs relating to the subsidiaries. These Specific Additional Costs will remain in force for an unlimited period and may be changed by the Management Company upon no less than one month's prior written notice. These Specific Additional Costs are applicable as follows:

Taxe d'abonnement

Share Class Indicator	taxe d'abonnement
A, B, C, F, and I	0.05%
J, N, S, and Z	0.01%

Hedging Expenses

Share Class Sub-Indicator	Hedging Expenses
H, H1, H2, H3, and H4	Up to 0.03%

Specific Additional Costs are made on the following Funds in addition to the share class costs above:

	Emerging Market Custody
China A-shares Fund, China Equity Fund	Up to 0.10%
Asia Opportunity Fund, Developing Opportunity Fund, Parametric Emerging Markets Fund, Emerging Leaders Equity Fund, Indian Equity Fund, NextGen Emerging Markets Fund, Sustainable Asia Equity Fund, Sustainable Emerging Markets Equity Fund	Up to 0.05%
Emerging Markets Debt Opportunities Fund, Emerging Markets Local Income Fund, Global Macro Fund, Saudi Equity Fund	Up to 0.25%

The Management Company may pay an amount of the Fees and Charges it receives to distributors, dealers or other entities that assist the Management Company in the performance of its duties or provide services, directly or indirectly to the Funds or their Shareholders.

The Management Company may instruct the Company to pay a proportion of any Fee, Charge or Cost directly out of the assets of the Company to any service providers. In such case the Fee, Charge or Cost is reduced accordingly.

In the case of any individual Fund or Class, the Management Company and/or Investment Adviser(s) may choose to waive or rebate (to the investors) all of their Fees and Charges or any portion thereof at their absolute discretion for an indefinite period. The Management Company or any person acting on behalf of the Company or the Management Company may not obtain an incentive allocation or commission on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying fund.

All Fees, Charges and Costs are payable monthly in arrears and calculated on the average daily net assets (before the deduction of any Fees, Charges and Costs).

The allocation of costs and expenses to be borne by the Company among the various Funds and Classes will be made in accordance with Article 11 of the Articles of Incorporation. It is possible that Specific Additional Costs charged to the Funds and Classes may generate a surplus or a loss for the Management Company as actual expenses paid may vary from the amounts set out above. The Management Company may retain surpluses but will not seek to recover losses.

In certain jurisdictions, where subscriptions, redemptions and conversions are made through a third party agent, additional fees and charges may be imposed by that third party. These may be charged to the local investor or to the Company, and paid out of the Administration Charge.

OTHER CHARGES

TRANSACTION FEES

Each Fund bears the costs and expenses of buying and selling portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and other transaction related expenses. These transaction fees are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the Fund to which they are attributable. Transaction fees are allocated across each Fund's Share Classes.

EXTRAORDINARY EXPENSES

The Company bears any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets.

COSTS RELATING TO THE USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

The Company has entered into securities lending arrangements with the Depositary to participate in the securities lending programme operated by the Depositary, under normal commercial terms. Under the terms relating to the relevant securities lending arrangement and for services provided, the Depositary retains 20% on the first US\$ 5 million of gross revenue generated from securities lending transactions and 15% thereafter. The Funds retain 80% on the first US\$ 5 million of gross revenue generated from securities lending transactions and 85% thereafter.

UNDERLYING FEES

As described in Section 1.5 "Risk Factors", where a Fund invests into another collective investment scheme the Fund will bear a proportionate share of the fees and expenses of such collective investment scheme. These are in addition to the fees and expenses above but will be reported as part of the ongoing charges figure disclosed in the Annual Report and KIDs.

TRANSFER OF SHARES

The Management Company may, where it determines it is in the best interests of the Company and its Shareholders, charge a fee to any Shareholder who requests that their investment is re-registered into a different Shareholder account. Such fee will be payable to the Management Company to compensate it for the costs of processing such request, out of the Shareholder's investment, such amount not to exceed €50 per transfer.

2.6 Publication of Net Asset Value

The Net Asset Value per Share of each Class within each Fund is made public at the registered office of the Management Company and is available at the offices of the Transfer Agent. The Management Company will arrange for the Net Asset Value per Share of each Class within each Fund to be published as required. Neither the Company nor the Management Company can accept any responsibility for any error or delay in publication or for inaccurate or non-publication of prices. Shareholders may view the Net Asset Value per Share on the Company's web-site (<http://www.morganstanleyinvestmentfunds.com>).

2.7 Net Asset Value Determination

The Net Asset Value per Share will be calculated in the following currencies:

	US Dollar	Euro	Yen	Sterling	Currency in which the Shares are denominated
The Net Asset Value per Share of each Class in each Fund will be calculated in	x	x			
Except for the following Funds and Share Classes:					
• Japanese Equity Fund	x	x	x		
• Share Class Indicator A Shares of the Global Brands Fund	x	x	x		
• Share Class Indicator Z Shares of the Global Brands Fund	x	x		x	
• Share Class Indicator Z Shares of the Asian Property Fund	x	x		x	
• Share Class Indicator N and Z Shares of the Sustainable Emerging Markets Equity Fund	x	x		x	
• Share Class Indicator Z Shares of the US Growth Fund	x	x		x	
• Share Class Indicator Z Shares of the Global Property Fund	x	x		x	
Where Distributing Share Classes (Share Class Sub-Indicators "X" and "M") and Discretionary Distributing Share Classes (Share Class Sub-Indicators "R" and "RM") are issued by a Fund, the Net Asset Value per Share of the Class may also be calculated in:	x	x		x	
Where Currency Hedged Share Classes (Share Class Sub-Indicators "H", "H1", "H2", "H3", and "H4") are issued by a Fund, the Net Asset Value per Share of the Class will be calculated only in:					x
Where currency indicators are referenced within a Share Class, the Net Asset Value per Share of the Class will be calculated in that currency only (e.g. Share Class A (GBP) or Share Class B (AUD)):					x

In addition to the currency combinations detailed above, the Management Company reserve the right to publish the Net Asset Value per Share of a particular Class of a Fund in additional combinations not specified above and in additional currencies not detailed in the table. Any such currency Net Asset Value per Share published after the date of this Prospectus would be listed at www.morganstanleyinvestmentfunds.com and included in the next update of this Prospectus.

The Company determines the principles of the calculation of the price or net asset value of its Shares, which are implemented by the Management Company on a forward basis. This means that it is

not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Sales Charge). The Net Asset Value per Share is calculated at the valuation point following the Cut-Off Point that applications for Shares must be received in respect of a Dealing Day by the Transfer Agent to be processed on that Dealing Day.

The Funds are valued daily and the Net Asset Value per Share is calculated at the valuation point on each Dealing Day save where a particular Fund has a different definition of Dealing Day included in the investment policy section relating to that Fund. The Net Asset Value per Share for all Funds will be determined on the basis of the last available prices at the valuation point from the markets on which the investments of the various Funds are principally traded. The last available price and valuation point for collective schemes in which the Funds invest may vary and may include prior dealing days of those collective investment schemes. The valuation point of the Funds is available upon written request.

Events may occur between the determination of an investment's last available price and the determination of a Fund's Net Asset Value per Share at the valuation point that may, in the opinion of the Directors, mean that the last available price does not truly reflect the fair market value of the investment. In such circumstances the price of such investment shall be adjusted in accordance with the procedures adopted from time to time by the Directors in their discretion. The process and conduct of fair value adjustments shall be done by the Management Company in consultation with the Depositary.

In certain circumstances, subscriptions, redemptions and conversions in a Fund may have a negative impact on the Net Asset Value of the Fund as a result of the transaction costs incurred in the purchase and sale of the underlying investments and the spread between the buying and selling prices of such investments. In order to protect existing or remaining Shareholders from this negative impact on the Net Asset Value and to the extent that the Management Company considers that it is in the best interests of Shareholders, taking into account factors including the prevailing market conditions, the level of subscriptions and redemptions in a particular Fund and the size of the Fund, the Management Company may adjust the Net Asset Value of a Fund ("Swing Pricing") to reflect the estimated dealing spreads, costs and charges to be incurred by the Fund in liquidating or purchasing investments ("Swing Factor") to satisfy the net transactions received in respect of a particular Dealing Day.

The Swing Factor shall not exceed 2% of the Net Asset Value of the relevant Fund on the relevant Dealing Day in normal market conditions. However, whilst the Swing Factor is normally not expected to exceed 2% of the Net Asset Value of the relevant Fund on the relevant Dealing Day, the Directors may decide to temporarily increase this limit in exceptional circumstances (e.g.

stressed or dislocated markets resulting in increased trading costs beyond the 2% cap) to protect Shareholders' interests, although it is not possible to accurately predict whether it will occur at any future point in time and consequently how frequently it will need to be made. Up-to-date information on the increased Swing Factor actually applied to the Fund will be made available on the Company's website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im) and may also be made available to Shareholders free of charge upon request. Shareholders will also be informed on these websites when the market conditions no longer require that the adjustment limit exceeds the level disclosed in the Prospectus.

When net subscriptions in a Fund exceed a certain threshold on a given Dealing Day, the Net Asset Value is adjusted upwards by the Swing Factor. Similarly, when net redemptions in a Fund exceed a certain threshold on a given Dealing Day, the Net Asset Value of the Fund is adjusted downwards by the Swing Factor. The Management Company will review and, as the case may be, adapt the threshold(s) from time to time. The Swing Pricing will apply to all Funds except the Global Balanced Risk Control Fund of Funds.

The Net Asset Value per Share is calculated at the valuation point on each Dealing Day in the Reference Currency of the relevant Fund and is then calculated as appropriate in U.S. Dollars, Yen, Euro or Sterling using the last available rate of exchange prevailing in a recognised market at the valuation point.

The Net Asset Value per Share for Funds with investments with a known short-term maturity date will be determined using an amortised cost method for those investments with a known short-term maturity date. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments.

While this method provides certainty in valuation, it may result in periods during which value, as determined by amortised cost, is higher or lower than the price the relevant Fund would receive if it sold the investment. The Directors will continually assess this method of valuation and recommend changes, where necessary, to ensure that the Funds' investments will be valued at their fair value as determined in good faith by the Directors. If the Directors believe that a deviation from the amortised cost per Share may result in material dilution or other unfair results to Shareholders, the Directors shall take such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.

The Net Asset Value per Share of each Class of Shares of each Fund is determined by dividing the value of the assets of the Fund properly allocable to such Class of Shares less the value of the liabilities of the Fund properly allocable to such Class of Shares by

the total number of Shares of such Class outstanding at any Dealing Day.

The Net Asset Value per Share of each Class of Shares of each Fund is determined in accordance with Article 11 of the Articles of Incorporation of the Company which, *inter alia*, sets out the following rules to be applied in determining such value:

- a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- b) securities listed on a recognised stock exchange or dealt on any Other Regulated Market (as defined in Appendix A hereinafter) will be valued at their last available prices, or, in the event that there should be several such markets, on the basis of their last available prices on the main market for the relevant security. In the event that the last available price does not truly reflect the fair market value of the relevant securities, the value of such securities will be based on the reasonably foreseeable sales price determined prudently and in good faith pursuant to procedures established by the Directors;
- c) securities not listed or traded on a stock exchange or not dealt on any Other Regulated Market will be valued on the basis of the reasonably foreseeable sales price determined prudently and in good faith pursuant to procedures established by the Directors;
- d) the liquidating value of futures, or options contracts not traded on exchanges or on other organised markets shall mean their net liquidating value determined, pursuant to the policies established by the Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures or options contracts traded on exchanges or on other organised markets shall be based upon the last available prices of these contracts on exchanges and organised markets on which the particular futures or options contracts are traded by the Company; provided that if a futures or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable;
- e) all other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Directors;
- f) interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at

their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Directors. The value of the credit default swaps shall be determined by applying a recognised and transparent valuation method on a regular basis and by reference to the applicable debt instrument.

The relevant Funds shall, in principle, keep in their respective portfolios the investments determined by the amortisation cost method until their respective maturity dates or sell dates. Any assets held in a particular Fund not expressed in the Reference Currency will be translated into the Reference Currency at the last available rate of exchange prevailing in a recognised market at the valuation point.

The net asset value of the Company is at any time equal to the total of the Net Asset Values of the various Funds, converted, where necessary, into U.S. Dollars at the last available rate of exchange prevailing in a recognised market at the relevant valuation point.

TEMPORARY SUSPENSION OF CALCULATION OF NET ASSET VALUE

Pursuant to Article 12 of the Articles of Incorporation, the Company may suspend the calculation of the Net Asset Value of one or more Funds and the issue, redemption and conversion of Shares:

- a) during any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Company attributable to such Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Company attributable to such Fund quoted thereon;
- b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Directors as a result of which disposal or valuation of assets owned by the Company attributable to such Fund would be impracticable;
- c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Fund;
- d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Directors, be effected at normal rates of exchange;

- e) when for any other reason the prices of any investments owned by the Company attributable to such Fund cannot promptly or accurately be ascertained;
- f) any period when the net asset value of any subsidiary of the Company may not be determined accurately;
- g) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving the winding-up of the Company;
- h) following the suspension of the calculation of the Net Asset Value per Share, the issue, redemption and/or conversion of Shares, at the level of a master fund in which a Fund invests in its quality of feeder fund of such master fund.

The suspension of calculation of the Net Asset Value of any Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Fund.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share of any relevant Class.

Notice of the beginning and of the end of any period of suspension will be published on the Company's website (www.morganstanleyinvestmentfunds.com). Notice will likewise be given to any applicant or Shareholder as the case may be applying for purchase, conversion or redemption of Shares in the Fund(s) concerned.

2.8 Best Execution

The Management Company must act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. The Management Company's best execution policy sets out the basis upon which the Management Company, and the Investment Adviser on its behalf, will effect transactions and place orders in relation to the Funds to obtain the best possible result for the Company. The Investment Adviser's best execution policy sets out the systems and controls that have been put in place and the oversight carried out by the Investment Adviser to ensure that notwithstanding any delegation to the Sub-Advisers, who may be non-EU entities, they undertake transactions to achieve the best result for the relevant Funds. All transactions carried out by or on behalf of the Fund must be executed at arm's length and in the best interests of the Shareholders.

2.9 Conflicts of Interests

Potential Conflicts of Interests of the Investment Advisers and the Management Company

The Management Company and the Investment Advisers undertake business for other clients. The Investment Advisers, their employees and their other clients face conflicts with the interests of the Management Company and its clients. The Management Company and the Investment Advisers maintain Conflicts of Interest Policies. It is not always possible for the risk of detriment to a client's interests to be entirely mitigated such that, on every transaction when acting for clients, a risk of detriment to their interests does not remain.

The Management Company and the Investment Advisers acknowledge that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its shareholders will be prevented. Should any such situations arise the Management Company will disclose these to Shareholders in the Company's annual report or other appropriate format.

Conflict Scenarios

Because the Investment Advisers or their affiliates may manage assets for other investment companies, pooled investment vehicles, and/or other accounts (including institutional clients, pension plans and certain high net worth individuals), there may be an incentive to favour one of their clients over another resulting in potential conflicts of interest. For instance, the relevant Investment Adviser or its affiliates may receive fees from certain accounts that are higher than the fee it receives for a particular Fund, or it may receive a performance-based fee on certain accounts. In those instances, the portfolio manager(s) may have an incentive to favour the higher and/or performance-based fee accounts over a particular Fund. In addition, a potential conflict of interest could exist to the extent such Investment Adviser or its affiliates has proprietary investments in certain accounts, where portfolio managers have personal investments in certain accounts or when certain accounts are investment options in the Investment Adviser's and/or its affiliates employee benefits and/or deferred compensation plans. The relevant portfolio manager may have an incentive to favour these accounts over others. If the Investment Advisers and/or one of their affiliates manages accounts that engage in short sales of securities of the type in which a Fund invests, the Investment Advisers and/or their affiliates could be seen as harming the performance of the relevant Fund for the benefit of the accounts engaging in short sales if the short sales cause the market value of the securities to fall.

The Management Company may pay third parties for distribution and related services. Such payments could incentivise third parties to promote the Company to investors against that client's best interests. The Management Company complies with all legal and regulatory requirements in the jurisdictions in which such payments are made.

The Investment Advisers also may utilize an affiliated broker/dealer to execute a portion, and on occasion to execute a substantial portion, of the purchases and sales of securities for the portfolio of a Fund. Primary consideration will be given to such broker/dealer's ability to effect prompt and efficient executions at competitive rates. The Investment Advisers will only utilize an affiliated broker/dealer where it believes it is able to obtain best execution at competitive commission rates. An affiliated broker/dealer may also furnish to the Investment Advisers research and related services.

The Investment Advisers may purchase securities from underwriters, distributors or placement agents in which an affiliate is a member of a syndicate or selling group, as a result of which an affiliate might benefit from the purchase through receipt of a fee or otherwise. The Investment Advisers will not purchase securities from an affiliate that is acting as a manager of a syndicate or selling group. Purchases by the Investment Advisers from an affiliate acting as a distributor or placement agent must meet the requirements of applicable law. Otherwise, the Investment Advisers will not engage in any purchase or sale with an affiliate on a principal basis except as set forth below.

Other Potential Conflicts of Interest

As part of the normal course of global custody business, the Depositary may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise between the Depositary and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to a fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the funds, for instance foreign exchange, securities lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will at all times have regard to its obligations under applicable laws including Article 25 of the UCITS Directive.

In relation to any efficient portfolio management techniques used by the Funds, securities lending transactions may be entered into on normal commercial terms with entities which are affiliates of the Investment Adviser. In particular, the Funds have entered into securities lending arrangements with the Depositary to participate in the securities lending programme operated by the Depositary, under normal commercial terms. From time to time, affiliates of the Investment Adviser (including but not limited to Morgan Stanley & Co. International PLC) may be named as approved borrowers to which the Depositary could lend securities on behalf of the Funds under the securities lending programme.

The above is not necessarily a comprehensive list of all potential conflicts of interest.

2.10 Dividend Policy

The Company offers Accumulating Share Classes, Distributing Shares Classes and Discretionary Distributing Share Classes.

ACCUMULATING SHARE CLASSES

Income and capital gains arising in each Fund in relation to Accumulating Share Classes will be reinvested in such Fund. The value of the Shares of each such Class will reflect the capitalisation of income and gains. The Directors currently intend to propose to the Annual General Meeting the reinvestment of the net results of the year for all such Classes of Shares. However, should payment of a dividend in respect of any such Classes of Shares be considered to be appropriate, the Directors will propose to the general meeting of Shareholders that a dividend be declared out of the net investment income attributable to such Class of Shares and available for distribution and/or realized capital gains after deduction of realized capital losses and unrealized capital gains after deduction of unrealized capital losses.

DISTRIBUTING SHARE CLASSES (SHARE CLASS SUB-INDICATORS “X” AND “M”) AND DISCRETIONARY DISTRIBUTING SHARE CLASSES (SHARE CLASS SUB-INDICATORS “R” AND “RM”)

Approach to declaring dividends

Funds – Distributing Share Classes (Share Class Sub-Indicators “X” and “M”)

For the Distributing Share Classes of the Bond Funds, Equity Funds, Asset Allocation Funds and Alternative Investment Funds, the Company intends to declare dividends which will be equal to the net investment income attributable to such Classes (i.e. 100% of the net investment income). For the Global Asset Backed Securities Fund and the Global Asset Backed Securities Focused Fund, net investment income is considered to include net gains and losses from prepaid principal on mortgaged-backed and asset-backed securities for the purpose of the dividend policy. For the Global Balanced Income Fund, net investment income is considered to include net premium arising as a result of writing options for the purpose of the dividend policy.

Funds – Discretionary Distributing Share Classes (Share Class Sub-Indicators “R” and “RM”)

For the Discretionary Distributing Share Classes of the Bond Funds, Equity Funds, Asset Allocation Funds and Alternative Investment Funds, the Company intends to declare dividends which will be set at the discretion of the Directors. The Discretionary Distributing Share Class may pay distributions from capital or may charge all or part of the Fund’s fees and expenses to the capital of the Fund. Dividends paid out of capital amount to a return or withdrawal of part of a Shareholder’s original investment or from any capital gains attributable to that original investment. Such dividends may result in an immediate decrease of the Net Asset Value per Share. Where part or all of the fees and expenses of a Share Class are charged to the capital of that Share Class the result will be a reduction of the capital that the Share Class has available for investment in the future and

capital may be eroded. Further details on the Discretionary Distributing Share Classes will be included in the relevant KID of the applicable Fund.

Frequency of Dividends

Equity Funds and Alternative Investment Funds – semi-annual dividend (Share Class Sub-Indicators “X” and “R”)

Both the Distributing Share Classes (Share Class Sub-Indicator “X”) and Discretionary Distributing Share Classes (Share Class Sub-Indicator “R”) aim to declare semi-annual dividends for Equity Funds (other than the Global Brands Equity Income Fund) and Alternative Investment Funds. Such dividends, if any, will be accrued on the last Dealing Day of June and December and declared on the next Dealing Day. The dividend declaration will be made public at the registered office of the Company and made available at the offices of the Transfer Agent on the first Dealing Day of July and January.

Bond Funds, Asset Allocation Funds and the Global Brands Equity Income Fund – quarterly dividend (Share Class Sub-Indicators “X” and “R”)

Both the Distributing Share Classes (Share Class Sub-Indicator “X”) and Discretionary Distributing Share Classes (Share Class Sub-Indicator “R”) aim to declare quarterly dividends for Bond Funds, Asset Allocation Funds and the Global Brands Equity Income Fund. Such dividends, if any, will be accrued on the last Dealing Day of March, June, September and December and declared on the next Dealing Day. The dividend declaration, where issued, will be made public at the registered office of the Company and made available at the offices of the Transfer Agent on the first Dealing Day of January, April, July and October as applicable.

Monthly Distributing Share Class (Share Class Sub-Indicators “M” and “RM”)

Both the Distributing Share Classes (Share Class Sub-Indicator “M”) and Discretionary Distributing Share Classes (“Share Class Sub-Indicator “RM”) aim to declare monthly dividends. Such dividends, if any, will be accrued on the last Dealing Day of the month and declared on the next Dealing Day. The dividend declaration for these Distributing Share Classes and Discretionary Distributing Share Classes, where issued, will be made public at the registered office of the Company and made available at the offices of the Transfer Agent on the first Dealing Day of the following month as applicable.

DISCRETIONARY DISTRIBUTING SHARE CLASS EXAMPLES

In these examples, we assume the following for the period:

- 1) No change in NAV as a result of capital appreciation
- 2) Investment income over the period is equal to 2.50%
- 3) The total management and non-management expenses of the fund for this period are equal to 0.50% of NAV
- 4) Therefore net investment income is 2%

Example – covering a period of 90 days from January 1 to the first Dealing Day in April for a given Bond Fund where net investment income is greater than or equal to the declared dividend.

In this example, we assume the following for the period:

1) Declared dividend is 1.50% (less than net investment income)

NAV on the first Dealing Day of the Period	NAV on Dealing Day prior to the declaration of the dividend	Declared Dividend as a Percentage of NAV	Declared Dividend	NAV on the first Dealing Day following the declaration of dividend
€100.00	€102.00	1.50%	€1.53	€100.47

In this example, the dividend declared is equal to €1.53 and the NAV on the Dealing Day following the declaration of the dividend is equal to €100.47 ($€102.00 - (1.50\% * 102.00) = €100.47$). In this scenario, the declared dividend was less than the net investment income over the period and there was no decrease in capital.

Example – covering a period of 90 days from January 1 to the first Dealing Day in April for a given Bond Fund where the declared dividend is greater than the net investment income.

In this example, we assume the following for the period:

2) Declared dividend is 3.00% (greater than net investment income)

NAV on the first Dealing Day of the Period	NAV on Dealing Day prior to the declaration of the dividend	Declared Dividend as a Percentage of NAV	Declared Dividend	NAV on the first Dealing Day following the declaration of dividend
€100.00	€102.00	3.00%	€3.06	€98.94

In this example, the dividend declared is equal to €3.06 and the NAV on the Dealing Day following the declaration of the dividend is equal to €98.94 ($€102.00 - (3.00\% * 102.00)$). The declared dividend has resulted in a decrease in investor capital of €1.06.

Figures are for illustration purposes only and are not indicative of the actual return received by Shareholders.

DIVIDEND PAYMENT AND REINVESTMENT

Dividends will be distributed within three Business Days of the date such dividends are declared, in the case of the Equity Funds, Bond Funds, Asset Allocation Funds and Alternative Investment Funds.

For all Shares other than Share Class Indicator B Shares

Dividends will be automatically reinvested in additional Shares of the relevant Class free of any charge unless (i) the Shareholder has

nominated on the Application Form to receive such dividends in cash and (ii) the value of the dividends to be distributed for that month, quarter or half year, as applicable, is in excess of US\$ 100.00, or the Euro or the Sterling equivalent of US\$ 100.00. Dividends are paid in the currency in which the Share is denominated, or, where appropriate for the Share, in Sterling, Euro, or U.S. Dollar. For those Shareholders whose dividend accrual for that month, quarter or half year, as applicable, is less than US\$ 100.00, or the Euro or the Sterling equivalent of US\$ 100.00, the dividends will be automatically reinvested in additional Shares of the relevant Class free of any charge. The Directors may, following a Shareholder's request, at their discretion, decide to waive or vary the limit below which a dividend accrual is automatically reinvested.

The Dealing Day applicable for such automatic reinvestment will be the first Dealing Day of January, April, July or October in the case of the Bond Funds and Asset Allocation Funds, and the first Dealing Day of January or July in the case of the Equity Funds and Alternative Investment Funds.

In the case of the Monthly Distributing Share Class (Share Class Sub-Indicator "M"), such automatic reinvestment will be the first Dealing Day of each month.

For Share Class Indicator B Shares

All dividends earned on Share Class Indicator B Shares will be distributed to the relevant Shareholder in cash, regardless of the value of the dividend. Reinvestment of dividends is not permitted for Share Class Indicator B Shares. Dividends are paid in the currency in which the Share is denominated, or, where appropriate for the Share, in Sterling, Euro, or U.S. Dollar.

For all Shares

Income equalisation is operated in respect of all Distributing Share Classes of all Funds. For such Share Classes, equalisation ensures that the income per Share which is distributed in respect of a distribution period is not impacted by changes in the number of Shares in issue in that Share Class during the period. Equalisation is operated by the Administrator, who allocates a portion of the proceeds from sales and costs of redemption of Shares – equivalent on a per Share basis to the amount of undistributed net investment income on the date of the subscription or redemption – to undistributed income.

In the event that a dividend is paid in one or several Funds, such dividend will be paid to Shareholders by cheque mailed to their address as shown on the register of Shareholders, or by bank transfer. Dividend cheques not cashed within five years will be forfeited and will accrue for the benefit of the Class of the Fund out of which the dividend is payable.

2.11 Taxation

The statements on taxation set out below are by way of a general guide to potential investors and Shareholders only regarding the law and practice in force in the relevant jurisdiction at the date of this Prospectus and do not constitute tax or legal advice and the investors should consult their own counsel and make their own enquiries, as to tax matters concerning their investment. There can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely. Neither the Company, the Management Company nor their advisors are liable for any loss which may arise as a result of current, or changes in, applicable tax laws, practice and their interpretation by any relevant authority. The pace of evolution of fiscal policy and practice has recently been accelerated due to a number of developments. In particular, the OECD together with the G20 countries have committed to addressing abusive global tax avoidance, referred to as BEPS through 15 actions detailed in reports released on 5 October 2015 and through the Inclusive Framework on a global consensus solution to reform the international corporate tax system via a two-pillar plan in 2021 known as Pillar I and Pillar II (BEPS 2.0).

Prospective Shareholders should inform themselves of, and where appropriate take advice on, the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription, purchase, holding, redemption, conversion and otherwise disposing of Shares in the country of their citizenship, residence, domicile or incorporation. Prospective Shareholders should note that the information contained in this Section of the Prospectus is a general guide only and does not discuss the local tax consequences that all prospective Shareholders may be subject to.

The conversion of Share Class Indicator B Shares to Share Class Indicator A Shares as described in Section 2.1 “Share Class Description” may give rise to a tax liability for Shareholders in certain jurisdictions. Shareholders should consult their tax adviser about their own position.

LUXEMBOURG TAXATION

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) and personal income tax (*impôt sur le revenu*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*), as well as other duties, levies or taxes. Corporate income tax, municipal business tax, net wealth tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to

personal income tax and to the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

TAXATION OF THE COMPANY IN LUXEMBOURG

Under current law, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

Subscription tax

As a rule the Company is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum. The taxable basis of the subscription tax is the aggregate net assets of the Company valued on the last day of each quarter of the civil year.

The rate is however reduced to 0.01% per annum for:

- undertakings whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions;
- undertakings whose sole object is the collective investment in deposits with credit institutions;
- individual compartments of UCIs with multiple compartments as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Under certain conditions, reduced rates ranging from 0.04% to 0.01% may also be available for the portion of the net assets of a UCI or of an individual compartment of a UCI with multiple compartments that are invested in sustainable economic activities (as defined in Article 3 of the Taxonomy Regulation).

Furthermore, exempt from the subscription tax are:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax provided for in Article 174 of the 2010 Law or in Article 68 of the amended law of 13 February 2007 on specialised investment funds, or by Article 46 of the amended law of 23 July 2016 on reserved alternative investment funds;
- UCIs, as well as individual compartments of UCIs with multiple compartments (i) whose securities are reserved for institutional investors, and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. Where several classes of securities exist within the UCI or the compartment, the exemption only applies to classes whose securities are reserved for institutional investors;

- UCIs whose securities are reserved for (i) institutions for occupational retirement pension or similar investment vehicles, set up on one or more employers' initiative for the benefit of their employees and (ii) companies of one or more employers investing funds they hold, to provide retirement benefits to their employees;
- UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institutions;
- ETFs as defined by Article 175 e) of the 2010 Law.

Provided the continuous compliance with the above mentioned conditions for a reduced subscription tax rate of 0.01% the Net Asset Value of Shares with Share Class Indicator J, N, S or Z is likely to benefit from such a reduced subscription tax rate. However, there can be no guarantee that the benefit of such reduced rate will be obtained or that, once obtained, it will continue to be available in the future.

Subscription tax is calculated by reference to the net asset value of the relevant Fund or Share Class at the end of each quarter. Subscription tax will be paid from the Specific Additional Cost described in section 2.5 "Charges and Expenses". Any difference between the Specific Additional Costs collected and the tax payable will be paid by or credited to the Management Company.

Other taxes

No stamp duty or other tax will be payable in Luxembourg in connection with the issue of Shares of the Company. A fixed registration duty of Euro 75 will be levied upon amendments of the articles of incorporation of the Company.

The Company is exempt from net wealth tax.

Under current law in Luxembourg, no Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

The Company may be subject to withholding tax on dividends and interest and to tax on capital gains in the country of origin of its investments. As the Company itself is exempt from income tax, withholding tax levied at source, if any, is not refundable in Luxembourg. It is not certain whether the Company itself would be able to benefit from Luxembourg's double tax treaties network. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Company is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly apply to the Company.

The Company is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for

services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT. The Company is registered for VAT in Luxembourg and is required to self-assess Luxembourg VAT on taxable services purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Company to its Shareholders, to the extent that such payments are linked to their subscription to the Shares and do not constitute the consideration received for any taxable services supplied.

Withholding tax

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the Company to its Shareholders under the Shares. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

EU Mandatory Disclosure Regime ('MDR')

The EU Council Directive 2018/822 amending EU Council Directive 2011/16 in relation to the disclosure of cross-border tax arrangements, known as DAC6 or MDR, came into force on 25 June 2018. Generally, Member States were obliged to transpose the Directive into local law by 31 December 2019. Luxembourg transposed the Directive into national law with the law of 25 March 2020, as amended or supplemented from time to time (the "DAC6 Law"). MDR applies to cross-border tax arrangements, which meet one or more specified characteristics (hallmarks), and which concern either more than one EU country or an EU country and a non-EU country. It mandates a reporting obligation for these tax arrangements if in scope, regardless of whether the arrangement is in compliance with local tax law.

Intermediaries (i.e. any person that designs, markets, organises or makes available for implementation or manages the implementation of a reportable cross-border arrangement (so-called primary intermediary) or any person that knows, or could reasonably be expected to know that they have undertaken to provide aid, assistance or advice with respect to designing, marketing, organising, making available for implementation or managing the implementation of a reportable cross-border arrangement (so-called secondary intermediary)), if any, or the relevant taxpayer are required to file information on reportable cross-border arrangement with their national tax authority within thirty (30) days of the first of the following dates:

- on the day after the reportable cross-border arrangement is made available for implementation; or
- on the day after the reportable cross-border arrangement is ready for implementation; or
- when the first step in the implementation of the reportable cross-border arrangement has been made; or

- where a primary intermediary is involved, on the day after the intermediary provided aid, assistance or advice.

The Management Company is a potential intermediary for the purposes of MDR and hence may be obliged to report cross-border arrangements that meet one or more hallmarks. These hallmarks may be generic or specific. As regards to the generic and certain specific hallmarks, these may only be taken into account to the extent that they meet so called “main benefit test”, i.e., if obtaining a tax advantage constitutes the main benefit or one of the main benefits a person is expected to derive from an arrangement. Shareholders, as taxpayers, may have a secondary liability to report in-scope arrangements and hence should consult their own tax advisors for more information.

As the case may be, the Management Company may take any action that it deems required, necessary, advisable, desirable or convenient to comply with the reporting obligations imposed on intermediaries and/or taxpayers pursuant to the DAC 6 Law. Failure to provide the necessary information under DAC 6 may result in the application of fines or penalties in the relevant EU jurisdiction(s) involved in the cross-border arrangement at stake. Under the DAC 6 Law, late reporting, incomplete or inaccurate reporting, or non-reporting may be subject to a fine of up to EUR 250,000.

Foreign Account Tax Compliance (“FATCA”)

Being established in Luxembourg and subject to the supervision of the CSSF in accordance with the 2010 Law, the Company will be treated as a Foreign Financial Institution (within the meaning of FATCA) for FATCA purposes.

On 28 March 2014, Luxembourg has entered into a Model 1 Intergovernmental Agreement with the U.S. (“**Luxembourg IGA**”) that was transposed in national law by the Luxembourg law dated 24 June 2015 (the “**FATCA Law**”), as amended by the Law of 18 June 2020. This means that the Company must comply with the requirements of the Luxembourg IGA. This includes the obligation for the Company to regularly assess the status of its investors. To this end, the Company will need to obtain and verify information on all of its investors. Upon request of the Company, each investor shall agree to provide certain information (the FATCA Information as defined previously), including, in case of a Non-Financial Foreign Entity (within the meaning of the FATCA Law), the direct or indirect owners above a certain threshold of ownership of such investors, along with the required supporting documentation. Similarly, each investor shall agree to actively provide to the Company within thirty days any information like for instance a new mailing address or a new residency address that would affect its status.

The Company will be required, in certain circumstances, to disclose the names, addresses, date and place of birth, jurisdiction(s)

of tax residence and taxpayer identification number(s) (if issued by the jurisdictions) of the investors as well as information like account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities. The Luxembourg tax authorities will in turn share the information with the U.S. authorities. A failure for the Company to obtain such information from each investor and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source income and on proceeds from the sale of property or other assets that could give rise to U.S. source interest and dividends.

Any investor that fails to comply with the Company’s documentation requests may be charged with any taxes imposed on the Company attributable to such investor’s failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such investor.

Investors who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime. Investors should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

Common Reporting Standard

Capitalised terms used in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution.

As such, as from 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Company documentation, the Company is required to annually report to the Luxembourg tax authorities personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the “Reportable Persons”) and (ii) Controlling Persons (within the meaning of CRS) of certain non-financial entities (“NFEs”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the CRS Information as defined previously), will include personal data related to the Reportable Persons such as names, addresses, date and place of birth, jurisdiction(s) of tax residence and taxpayer identification number(s) if issued by the jurisdiction(s).

The Company’s ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Company with the CRS Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Company will process the CRS Information for the purposes as set out in the CRS Law.

The investors undertake to inform their Controlling Persons, if applicable, of the processing of their CRS Information by the Company.

Additionally, the Company is responsible for the processing of personal data and each investor and Controlling Person has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with the applicable Data Protection Laws.

The investors are further informed that the CRS Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the investors undertake to inform the Company within thirty (30) days of receipt of these statements should any included personal data be not accurate. The investors further undertake to immediately inform the Company of, and provide the Company with all supporting documentary evidence of any changes related to the Information after occurrence of such changes within thirty (30) days.

Any investor that fails to comply with the Company's CRS Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such investor's failure to provide the CRS Information or subject to disclosure of the CRS Information by the Company to the Luxembourg tax authorities.

TAXATION OF SHAREHOLDERS IN LUXEMBOURG

It is expected that Shareholders in the Company will be resident for tax purposes in many different countries. Consequently, except as set-out below, no attempt is made in this Prospectus to summarise the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares of the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

Shareholders should consult their own professional advisors on the possible tax or other consequences of buying, holding, transferring or selling the Company's Shares under the laws of their countries of citizenship.

Under current legislation Shareholders are generally not subject to any capital gains or income tax in Luxembourg, except Shareholders

who are resident in Luxembourg for tax purposes or non-resident Shareholders who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable.

LUXEMBOURG TAX RESIDENCY

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance, delivery and/or enforcement of its rights and obligations thereunder.

LUXEMBOURG RESIDENT INDIVIDUALS

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to income tax at the ordinary progressive rates.

Capital gains realized upon sale, disposal or redemption of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Shares are disposed of within 6 months after their acquisition or if their disposal precedes their acquisition. A participation is considered to be a substantial participation where a resident individual Shareholder holds or has held, either alone or together with his spouse/partner and/or his minor children, either directly or indirectly at any time within the 5 years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5-year period).

Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are taxed according to the half-global rate method (*i.e.* the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the Shares.

Capital gains realized on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

LUXEMBOURG RESIDENT COMPANIES

A Luxembourg resident company (*société de capitaux*) must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in its taxable profits for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

LUXEMBOURG RESIDENTS BENEFITING FROM A SPECIAL TAX REGIME

Shareholders who are Luxembourg resident companies benefiting from a special tax regime, such as (i) undertakings for collective investment subject to the 2010 Law, (ii) specialized investment funds subject to the amended law of 13 February 2007, (iii) family wealth management companies governed by the amended law of 11 May 2007 and (iv) reserved alternative investment funds governed by the amended law of 23 July 2016 and treated as specialized investment funds for Luxembourg tax purposes, are income tax exempt entities in Luxembourg, and profits derived from the Shares are thus not subject to Luxembourg income tax.

NON-LUXEMBOURG RESIDENTS

A non-resident Shareholder, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, is not liable to any Luxembourg income tax on income received and capital gains realized upon the sale, disposal or redemption of the Shares.

A non-resident Shareholder who has a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in its taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. The Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

NET WEALTH TAX

A Luxembourg resident, as well as a non-resident Shareholder who has a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, except if the

Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the 2010 Law, (iii) a securitization company governed by the amended law of 22 March 2004 on securitization, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialized investment fund governed by the amended law of 13 February 2007, (vi) a family wealth management company governed by the amended law of 11 May 2007, (vii) a professional pension institution governed by the amended law of 13 July 2005 or (viii) a reserved alternative investment fund governed by the amended law of 23 July 2016.

However, (i) a securitization company governed by the amended law of 22 March 2004 on securitization, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law of 13 July 2005 and (iv) an opaque reserved alternative investment fund governed by the amended law of 23 July 2016 and treated as a venture capital vehicle for Luxembourg tax purposes, remain subject to minimum net wealth tax.

OTHER TAXES

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes at the time of his death.

Gift tax may be due on a gift or donation of the Shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

The information set forth above is based on present law and administrative practice and may be subject to modification.

BELGIAN TAXATION

The Company is subject to an annual tax on Funds registered with the Belgian Financial Services and Markets Authority (the "FSMA"). The annual tax is due on the total net asset value of the Shares held in Belgium as at 31 December of the preceding year. Shares are considered held in Belgium, if they are acquired through the intervention of a Belgian financial intermediary, unless to the extent the Belgian financial intermediary provides evidence that the Shares have been placed with non-residents of Belgium, or if they are acquired abroad for the account of residents of Belgium. The tax, which is currently payable at a rate of 0.0925% per annum, will be paid by the Management Company. Note that a reduced rate of 0.01% can be relied upon for one or more compartments or Share Classes which only institutional or professional investors acting for their own account can invest in and of which the securities can only be acquired by these investors.

TAXATION OF THE FUNDS AS A RESULT FROM INVESTMENTS IN THE PRC

By investing in China A-Shares and debt securities, the Funds may be subject to taxes imposed by the PRC.

a. Corporate Income Tax (“CIT”)

Under general PRC tax law, if the Fund is considered a PRC tax resident, it will be subject to PRC CIT at 25% on its worldwide taxable income. If the Fund is considered a non-PRC resident but has a permanent establishment (“PE”) in the PRC, the profits attributable to that PE would be subject to PRC CIT at 25%. If the Fund is a non-PRC resident without PE in the PRC, the income derived by it from the investment in China A-Shares and debt securities would in general be subject to 10% PRC CIT withholding in the PRC, unless exempt or reduced under specific tax circulars or relevant tax treaties or arrangements.

It is the intention of the Manager that the affairs of the Fund will be conducted in a manner such that it is not a PRC tax resident enterprise and will not have a PE in the PRC for PRC CIT purposes, although this cannot be guaranteed.

i. Shanghai Stock Connect

In respect of trading through Shanghai Stock Connect, the Ministry of Finance (“MoF”), the State Administration of Taxation (“SAT”) and the China Securities Regulatory Commission (“CSRC”) have jointly promulgated the *Circular on Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets (Caishui [2014] No.81)* (“Circular 81”) dated 31 October 2014 to clarify the relevant income tax liabilities.

Pursuant to Circular 81, taking effect on 17 November 2014, in respect of trading China A-Shares through Shanghai Stock Connect:

- income tax shall be exempt on a temporary basis on the gains earned by Hong Kong market investors (including corporate and individual investors) from the transfer of China A-Shares listed on SSE; and
- Hong Kong market investors are required to pay tax on dividends and bonuses of China A-Shares at a standard rate of 10%, which will be withheld and paid to the relevant PRC tax authority by the respective listed companies (before HKSCC is able to provide details such as investor identities and holding periods to CSDCC, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented). Where there is an applicable tax treaty/arrangement prescribing for a lower tax rate, the investor may apply for refund from the competent tax authority.

ii. Shenzhen Stock Connect

In respect of equity interest investments such as China A-Shares, MoF, SAT and CSRC have jointly promulgated the *Circular on Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shenzhen and Hong Kong Stock Markets (Caishui [2016] No. 127)* (“Circular 127”) dated 5 November 2016 to clarify the relevant income tax liabilities. The tax policies provided under Circular 127, which take effect on 5 December 2016, for investments through the Shenzhen Stock Connect generally mirror those applying to investments through the Shanghai Stock Connect. Accordingly, in respect of trading through Shenzhen Stock Connect:

- the income tax shall be exempt on a temporary basis on the gains earned by Hong Kong market investors (including corporate and individual investors) from the transfer of China A-Shares listed on the SZSE; and
- Hong Kong market investors are required to pay tax on dividends and bonuses of China A-Shares at a standard rate of 10%, which will be withheld and paid to the relevant PRC tax authority by the respective listed companies. Where there is any applicable tax treaty/arrangement prescribing for a lower tax rate, the investor may apply for refund from the competent tax authority.

iii. QFI

MoF, SAT and CSRC have jointly promulgated the *Circular on the Issues of Temporary Corporate Income Tax Exemption for Capital Gains Derived from the Transfer of PRC Shares and Equity Interests (Caishui (2014) No. 79)* (“Circular 79”), taking effect on 17 November 2014 in respect of capital gains derived by Qualified Foreign Institutional Investors (“QFIIs”) and Renminbi Qualified Foreign Institutional Investors (“RQFIIs”) (currently collectively referred to as QFIs). Circular 79 provides that QFIIs and RQFIIs shall be temporarily exempted from PRC CIT on capital gains derived from the trading of A-Shares and other PRC equity interest investments. However, QFIIs / RQFIIs shall be subject to PRC CIT on capital gains realised before 17 November 2014 in accordance with applicable PRC tax laws.

In respect of dividend and interest income, under the *Circular on Issues relating to Withholding Tax of Dividends and Interests Paid by a Resident Enterprise to a Qualified Foreign Institutional Investor (Guoshuihan (2009) No.47)* dated 23 January 2009 (the “QFI Withholding Tax Notice”), the PRC tax authorities have confirmed that QFIIs are subject to 10% PRC CIT withholding on dividends and interest derived from China (subject to any reduction or exemption under an applicable domestic tax law or tax treaty/arrangement). While this tax circular addresses only QFIIs, the circular has been interpreted to serve as guidance for the withholding tax treatment applicable to RQFIIs given the similarity in the policies underlying the two regimes and the latest combination of

QFII and RQFII regimes into the QFI regime, although this remains subject to future confirmation from the PRC tax authorities.

iv. CIBM and Bond Connect

Under prevailing principles of the CIT Law and relevant regulations, non-PRC tax resident enterprises deriving China source interest and capital gains are subject to PRC CIT withholding of 10%, subject to any reduction or exemption under an applicable CIT Law, regulation (such as the CIT exemption for interest derived from qualified government bonds issued by MoF or local governments) or double taxation treaty/arrangement. Specifically with respect to investment on CIBM, on 22 November 2018, MoF and SAT issued the *Notice of Taxation Policy of the Company Income Tax and Value-Added Tax for Overseas Institutions' Investment in the Domestic Bond Market (Caishui [2018] No.108)* (“**Circular 108**”), which stipulates that foreign institutional investors are exempt from PRC CIT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the China bond markets. Therefore, interests generated from bond investment on CIBM by foreign investors (including investment through various regimes of QFI, direct CIBM access and Bond Connect) will be exempted from PRC CIT.

In terms of capital gains generated from bond investment on CIBM, according to PBOC’s *Operational Procedures for Overseas Institutional Investors to Enter China’s Inter-bank Bond Market (2017)* (“**PBOC Operational Procedures for Direct CIBM Access**”) which directly applies to investment through the direct CIBM access, capital gains derived from trading bonds through the direct CIBM access is exempt from PRC CIT temporarily until new tax policies are released. However, the PBOC Operational Procedures for Direct CIBM Access is a guidance issued by PBOC and uncertainty exists since such position has not been formally confirmed by MoF or SAT. In addition, the PRC tax authorities have temporarily suspended tax on capital gains derived by foreign investors from the trading of equity investments through the QFI regime, as well as through the Shanghai and Shenzhen Stock Connects, reflecting a policy to encourage investments in the capital markets. Lacking any formal guidance, it is currently unclear whether similar preferential tax treatment or policies will apply to capital gains derived by foreign investors from bond investments under Bond Connect. In the event China does not provide for a specific tax exemption or sufficient clarification, capital gains realised by non-PRC tax resident investors from the trading of bonds through Bond Connect (although in practice the treatment under direct CIBM access may be referred to) may be treated as income sourced from China and subject to the 10% PRC CIT withholding, subject to any reduction or exemption under an applicable CIT Law, regulation or double taxation treaty/arrangement.

b. Value Added Tax (“VAT”)

Circular 81 has provided that, in respect of trading through Shanghai Stock Connect, the business tax (“**BT**”) shall be exempt on a temporary basis on the gains earned by Hong Kong market investors (including corporate and individual investors) from the sale and purchase of China A-Shares listed on the SSE.

With effect from 1 May 2016, all industries formerly subject to BT have transitioned to VAT pursuant to the *Circular on Overall Replacement of Business Tax by Value-Added Tax on A Pilot Basis (Caishui [2016] No. 36)* jointly issued by China’s Ministry of Finance and State Administration of Taxation on 24 March 2016 (“**Circular 36**”). Circular 36 provides for a 6% VAT rate for financial services (including trading financial instruments), replacing the 5% tax rate formerly applied under the BT regime. However, the provisional exemption from BT provided under Circular 81 has been extended to VAT under Circular 36 for trading of securities under Shanghai Stock Connect by Hong Kong market investors (including corporate and individual investors). Likewise, Hong Kong market investors (including corporate and individual investors) trading securities through Shenzhen Stock Connect are provisionally exempt from VAT under Circular 127.

In respect of gains derived by QFIs, the PRC tax authorities had granted QFIIs exemption from BT since 1 December 2005. With the transition of BT to VAT, this exemption was extended to VAT under Circular 36. For RQFIIs, exemption from VAT on trading gains was subsequently confirmed in the *Supplemental Circular on Value Added Tax Policies on Interbank Transactions of Financial Institutions (Caishui (2016) No. 70)*, taking effect on 1 May 2016 (“**Circular 70**”).

Under Circular 36, the general rule is that gains realised from the trading of China marketable securities are subject to VAT at 6% (plus local surcharges). However, under Circular 70, gains of approved foreign investors from the trading of bonds under CIBM are exempt from VAT. In addition, according to the PBOC Operational Procedures for Direct CIBM Access, capital gains obtained therefrom during the period of pilot transition from BT to VAT are exempt from VAT. It is expected that the principles of Circular 70, the PBOC Operational Procedures for Direct CIBM Access and related tax regulations may also extend to exempt VAT on gains from the trading of bonds through Bond Connect. However, this can only be confirmed with certainty when formal tax guidance for Bond Connect is issued. In respect of VAT on interest, as a general rule under Circular 36, China source interest from bonds derived by foreign investors in CIBM is subject to VAT at 6% (plus local surcharges), which has been exempted by Circular 108 until 6 November 2021. Given that the PRC tax authorities are still addressing issues in respect of the transition from BT to VAT on financial transactions, there remain significant uncertainties on the application of the new VAT regulations as well as the enforcement practice of the PRC tax authorities.

c. Stamp duty

Stamp duty under PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty.

Under Circular 81 and Circular 127, Hong Kong market investors trading through Shanghai and Shenzhen Stock Connects are required to pay stamp duty arising from the sale and purchase of China A-Shares and the transfer of China A-Shares by way of succession and gift in accordance with the prevailing PRC taxation regulations (currently, 0.1% on the transferor). This PRC stamp duty treatment also applies to trading of eligible securities by QFIs.

2.12 Pooling

For the purpose of effective management, and subject to the provisions of the Articles of Incorporation of the Company and to applicable laws and regulations, the Directors may invest and manage all or any part of the portfolio of assets established for two or more Funds (for the purposes hereof “Participating Funds”) on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate with respect to the investment policy of the pool concerned) from each of the Participating Funds. Thereafter, the Directors may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Fund up to the amount of the participation of the Class concerned.

The Share of a Participating Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Directors shall, in their discretion, determine the initial value of notional units (which shall be expressed in such currency as the Directors consider appropriate) and shall allocate to each Participating Fund units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed. Thereafter, the value of the notional unit shall be determined by dividing the net asset value of the asset pool by the number of notional units subsisting.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of units of the Participating Fund concerned will be increased or reduced, as the case may be, by a number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a contribution is made in cash, it will be treated for the purpose of this calculation as reduced by an amount which the Directors consider appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Funds in proportion to their respective participation in the asset pool at the time of receipt. Upon the dissolution of the Company, the assets in an asset pool will be allocated to the Participating Funds in proportion to their respective participation in the asset pool.

Within any pooling arrangement, the Depositary shall ensure that at all times it is able to identify the assets which are owned by each Participating Fund.

Section 3

3.1 General Information

THE SHARES

The Shares of any Fund, within a given Class, are freely transferable (with the exception that Shares may not be transferred to a Prohibited Person). Shareholders may convert all or part of their Shares of one Fund into other Class of Shares of that Fund or into the same Class of Shares, or other Classes of Shares of other Funds, provided that the Shareholder meets the eligibility criteria for the Class of Shares into which they are converting, as detailed in Section 2.1. Upon issue, the Shares are entitled to participate equally in the profits and dividends of the Fund attributable to the relevant Class of Shares in which they have been issued as well as in the liquidation proceeds of such Fund.

The Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class to which it belongs or its net asset value, is entitled to one vote at all general meetings of Shareholders. The Shares are issued without par value and must be fully paid.

LUXEMBOURG STOCK EXCHANGE LISTING

Classes of Shares may be listed on the Luxembourg Stock Exchange as determined by the Management Company from time to time.

ISIN CODES

ISIN Codes for the Company's Share classes are available on www.morganstanleyinvestmentfunds.com.

FUNDSETTLE AND CLEARSTREAM

The following Classes of Shares of the Company's Funds may be traded via FundSettle or via Clearstream:

Share Class Indicator	Settlement venue	
	Fundsettle	Clearstream
A	Y	Y
B	Y	N
C	Y	N
F	Y	Y
I	Y	Y
N	N	N
S	N	N
Z	Y	Y

THE COMPANY

The Company has been incorporated under the laws of the Grand Duchy of Luxembourg as a "société d'investissement à capital variable" (SICAV) on 21 November 1988 for an unlimited period. The capital may not, at any time, be less than the equivalent in U.S. Dollars of 1,250,000.00 Euro.

The Articles of Incorporation have been deposited with the Luxembourg Trade and Companies' Register and have been published in the *Recueil des Sociétés et Associations* (the "Mémorial") of 11 January 1989. The Company has been registered with the Luxembourg Trade and Companies' Register under number B 29192.

The Articles of Incorporation have been lastly amended by an extraordinary shareholders' meeting held on 16 December 2015. The amendments thereto were published in the *Mémorial* on 13 January 2016.

The Directors shall maintain for each Fund a separate pool of assets. As between Shareholders, each pool of assets shall be invested for the exclusive benefit of the relevant Fund.

The assets of the Company shall be segregated on a Fund by Fund basis with third party creditors only having recourse to the assets of the relevant Fund.

THE MANAGEMENT COMPANY

Pursuant to a Management Company Services agreement effective as from 1 January 2019 and which was amended and restated on 31 December 2020 (the "Management Company Services Agreement") MSIM Fund Management (Ireland) Limited, of 24-26 City Quay, Dublin 2, D02NY19, Ireland, has been appointed as Management Company of the Company with responsibility for providing collective portfolio management services to the Company and each of the Funds, subject to the overall supervision and control of the Company. For its services, the Management Company receives fees, payable monthly, as set forth herein under the Section 2.5 "Charges and Expenses".

MSIM Fund Management (Ireland) Limited is an indirect wholly owned subsidiary of Morgan Stanley. MSIM Fund Management (Ireland) Limited was incorporated as a company limited by shares under the laws of Ireland on 5 December 2017.

The Management Company Services Agreement has been entered into for an unlimited period of time and may be terminated at any time by either party upon three (3) months' prior written notice or unilaterally with immediate effect by either party if, *inter alia*, the other party commits a material breach that it fails to remedy within thirty (30) days or if required by laws, regulations or any competent regulator or if the other party becomes insolvent or similar circumstances, fraud or bad faith on the part of the Management Company or if the interests of Shareholders so require.

The Management Company may delegate any of its responsibilities to any other party subject to approval by the Company but the Management Company's liability to the Company for the performance of collective portfolio management services shall not be affected by such delegation. In particular, the Management Company has delegated the investment management function for

some of the Funds and has fully delegated the central administration and transfer agency functions as set out in the sections below. Subject to the compliance with applicable laws, the Management Company may, at its own expenses and without affecting its liability to the Company, select and rely upon affiliated Morgan Stanley group entities for investment advice, research and associated expertise of such selected entities with respect to the assets of a Fund provided that, unless each such entity is expressly disclosed in this Prospectus subject to the prior approval by the CSSF, no such entity shall have the power to undertake discretionary portfolio management on behalf of a Fund and, subject to any authorised delegation, the Management Company shall at all times ensure that it remains in charge of the effective portfolio management of the Fund.

The Management Company has a remuneration policy in place which seeks to ensure that the interests of the Company and the Shareholders are aligned. Such remuneration policy imposes remuneration rules on staff and senior management within the Management Company whose activities have an impact on the risk profile of the Company. The Management Company shall seek to ensure that such remuneration policies and practices will be consistent with sound and effective risk management and with UCITS Regulation. The Management Company shall also seek to ensure that such remuneration policies and practices shall not encourage risk taking which is inconsistent with the risk profile and constitutional documents of the Company.

The Management Company shall seek to ensure that the remuneration policy will, at all times, be consistent with the business strategy, objectives, values and interests of the Company and the Shareholders and that the remuneration policy will include measures that seek to ensure that all relevant conflicts of interest can be managed appropriately at all times.

In particular, the remuneration policy also complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

- i. the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the Shareholders of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period; and
- ii. fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Details regarding the remuneration to the Management Company and the Management Company's up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee where such a committee exists, may be obtained free of charge during normal office hours at the registered office of the Company and is available on the following website <http://www.morganstanleyinvestmentfunds.com>.

THE DIRECTORS OF THE COMPANY

The Directors of the Company are responsible for the overall control and supervision of the performance of the tasks performed by the Management Company.

Directors of the Company who are not executive directors or employees of the Investment Advisers or any affiliate will be entitled to receive remuneration from the Company as disclosed in the Annual Report. Other than this, the Company does not pay remuneration to any individual. The Company does not pay Directors variable remuneration.

Each of the Directors of the Company has also been appointed to serve as director on the board of directors of one or more other collective investment schemes or management companies managed or operated by the Investment Adviser(s) or an affiliate.

THE INVESTMENT ADVISERS

The Directors of the Company are responsible for determining the investment policy of the different Funds.

In determining the investment policies of the Funds, the Directors of the Company will be assisted by the Management Company or one or several investment advisers (the "Investment Adviser(s)") for the day to day responsibility of providing discretionary investment management and investment advisory services.

Under an Investment Advisory Agreement, Morgan Stanley Investment Management Limited, of 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom, has been appointed as Investment Adviser with responsibility for providing discretionary asset management and investment advisory services to the Management Company, such services to be provided in relation to some of the Funds. The list of the Funds in relation to which advice is provided by the Investment Adviser and its delegate(s), if any, is available from www.morganstanleyinvestmentfunds.com and is included in the Company's Annual and Semi-Annual Reports. For its services, the Investment Adviser receives an annual fee, payable monthly, the details of which are set forth herein under the Section 2.5 "Charges and Expenses".

Morgan Stanley Investment Management Limited is a 100% indirect subsidiary of Morgan Stanley. Morgan Stanley Investment Management Limited was incorporated in 1986 under the laws of the United Kingdom. Its board of directors is currently composed of Terri Duhon, Fiona Kelly, Richard Lockwood, Zoë Parish, Ruairi O’Healai, and Jane Pearce.

The agreements between the Management Company and the Investment Advisers provide that they are to remain in force for an unlimited period and may be terminated at any time by either party to the agreement upon three months’ prior written notice or immediately by either party if the Management Company Services Agreement is terminated.

The Investment Advisers have been appointed to provide discretionary investment management and investment advisory services to the Management Company and, subject to the Company’s overall control and supervision, to provide advice in connection with the day-to-day management in respect of the relevant Funds.

Subject to an express delegation given by the Management Company, the Investment Advisers, pursuant to the agreement mentioned above, may furthermore have discretion, on a day-to-day basis and subject to the overall control of the Management Company, to purchase and sell securities, as appropriate, and otherwise to manage the portfolios of the different Funds for the account of the Company in relation to specific transactions.

During the term of any such specific delegation, the Investment Adviser will be authorised to act on behalf of the Management Company and to select agents, brokers and dealers through whom to execute transactions and provide the Management Company with reports in relation to such termination as the Management Company may require.

The Investment Adviser may delegate any of its responsibilities to any other party subject to approval by the Management Company and the CSSF but the Investment Adviser shall remain responsible for the proper performance by such party of those responsibilities.

Subject to the compliance with applicable laws and the prior consent of the Management Company, the Investment Adviser may, at its own expense and without affecting its liability to the Company, select and rely upon affiliated Morgan Stanley group entities and any of the Sub-Advisers for non-discretionary investment advice, research and associated expertise of such selected entities with respect to the assets of a Fund provided that, unless each such entity is expressly disclosed in this Prospectus subject to the prior approval by the CSSF, no such entity shall have the power to undertake discretionary portfolio management on behalf of a Fund and, subject to any authorised delegation, the Investment Adviser shall at all times ensure that it remains in charge of the effective portfolio management of the Fund.

A list of the Funds in relation to which discretionary and non-discretionary investment advice is provided by the Investment Adviser and its delegate(s), if any, is available from www.morganstanleyinvestmentfunds.com and is included in the Company’s Annual and Semi-Annual Reports.

THE SUB-ADVISERS

Pursuant to Sub-Advisory Agreements, Morgan Stanley Investment Management Inc, a company registered in the United States of America, has been appointed as Sub-Adviser of the Investment Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Sub-Advisory Agreement, Morgan Stanley Investment Management Company in Singapore has been appointed as Sub-Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Sub-Advisory Agreement, Morgan Stanley Asia Limited in Hong Kong has been appointed by the Investment Adviser as a Sub-Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Sub-Advisory Agreement, Morgan Stanley Saudi Arabia in Saudi Arabia has been appointed by the Investment Adviser as a Sub-Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Sub-Advisory Agreement, Morgan Stanley Investment Management (Australia) Pty Limited in Australia has been appointed by the Investment Adviser as a Sub-Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Sub-Advisory Agreement, Calvert Research and Management in the United States of America has been appointed by the Investment Adviser as a Sub-Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Sub-Advisory Agreement, Eaton Vance Advisers International Ltd. in the United Kingdom has been appointed by the Investment Adviser as a Sub-Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Sub-Advisory Agreement, Eaton Vance Management in the United States of America has been appointed by the Investment Adviser as a Sub-Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Sub-Advisory Agreement, Parametric Portfolio Associates, LLC in the United States of America has been appointed by the Investment Adviser as a Sub-Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Sub-Advisory Agreement, Atlanta Capital Management Company, LLC in the United States of America has

been appointed by the Investment Adviser as a Sub-Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Delegation Agreement, Mitsubishi UFJ Asset Management (UK) Limited in the United Kingdom has been appointed as Sub-Adviser in relation to Japanese Equity Fund and Japanese Small Cap Equity Fund.

Pursuant to the terms of the relevant agreement mentioned above, the Sub-Advisers may have discretion, on a day-to-day basis and subject to the overall control of the Investment Adviser to purchase and sell securities as agent for the Investment Adviser and otherwise to manage the portfolios of the relevant Funds for the account of the Company in relation to specific transactions.

The Sub-Advisers may delegate any of their responsibilities to delegates when expressly authorized by the relevant agreement, subject to the Adviser and CSSF's approval. In such case, the Investment Adviser shall remain responsible for the proper performance by such party of those responsibilities. In particular, Mitsubishi UFJ Asset Management Co., Ltd. has been appointed by Mitsubishi UFJ Asset Management (UK) Ltd. pursuant to the Master Investment Management Delegation Agreement to provide discretionary investment management and/or investment advisory services to the Japanese Equity Fund and the Japanese Small Cap Equity Fund. The delegation of the discretionary investment management services by Mitsubishi UFJ Asset Management (UK) Ltd. to Mitsubishi UFJ Asset Management Co., Ltd. with effect as from 1 July 2014.

Subject to the compliance with applicable laws and the prior consent of the Management Company and/or the Investment Adviser, each Sub-Adviser may, at its own expense and without affecting its liability to the Company and/or the Investment Adviser, select and rely upon affiliated Morgan Stanley group entities and any of the Sub-Advisers for non-discretionary investment advice, research and associated expertise of such selected entities with respect to the assets of a Fund provided that, unless each such entity is expressly disclosed in this Prospectus subject to the prior approval by the CSSF, no such entity shall have the power to undertake discretionary portfolio management on behalf of a Fund and, subject to any authorised delegation, the relevant Sub-Adviser shall at all times ensure that it remains in charge of the effective portfolio management of the assets of the relevant Fund entrusted to it for management.

The fees of each Sub-Adviser will be paid by the Investment Adviser.

A list of the Funds in relation to which discretionary and non-discretionary investment advice is provided by the Sub-Advisers and their delegate(s), if any, is available from

www.morganstanleyinvestmentfunds.com and is included in the Company's Annual and Semi-Annual Reports.

PAYMENT FOR INVESTMENT RESEARCH

Any third party research received in connection with investment management and investment advisory services that the Management Company or the Investment Adviser provides to the Funds (other than research that qualifies as a minor non-monetary benefit) will be paid for by the Management Company or the Investment Adviser out of its own resources.

Where possible, the Sub-Advisers will also pay for any third party equity research received by them in connection with the sub-investment advisory services that they provide to the relevant Fund(s) (other than research that qualifies as a minor non-monetary benefit) out of their own resources. However, to the extent the Sub-Advisers receive third party research other than equity research, or where research is received in a market that does not support the separation of execution commissions from research payments, they will implement systems and controls to ensure that the receipt of such research does not influence order routing and best execution decisions or give rise to conflicts of interest that risk detriment to the relevant Fund(s) and their investors.

THE DEPOSITARY

Pursuant to a depositary agreement (the "**Depositary Agreement**"), J.P. Morgan SE, acting through its Luxembourg Branch has been appointed as the depositary (the "**Depositary**") to provide depositary, custodial, settlement and certain other associated services to the Company. For its services, the Depositary receives an annual fee, payable monthly as set forth herein under the Section 2.5 "Charges and Expenses".

The Depositary shall assume its functions and responsibilities in accordance with the UCITS Regulation as further described in the Depositary Agreement. In particular, the Depositary will be responsible for the safekeeping and ownership verification of the assets of the Company, cash flow monitoring and oversight in accordance with the UCITS Regulation.

Collateral posted in favour of a Fund under a title transfer arrangement should be held by the Depositary or one of its correspondents or sub-custodians. Collateral posted in favour of a Fund under a security interest arrangement (*e.g.*, a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

In carrying out its role as depositary, the Depositary shall act independently from the Company and the Management Company and solely in the interest of the Company and its investors.

The Depositary will further, in accordance with the UCITS Regulation:

- a) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected by the Company or on its behalf are carried out in accordance with the applicable law and the Articles of Incorporation;
- b) ensure that the value per Share is calculated in accordance with the applicable law and the Articles of Incorporation;
- c) carry out, or where applicable, cause any sub-custodian or other custodial delegate to carry out the Instructions of the Company or the Management Company unless they conflict with the applicable law or the Articles of Incorporation;
- d) ensure that in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits; and
- e) ensure that the income of the Company is applied in accordance with the Articles of Incorporation and the applicable law.

The Depositary is liable to the Company and/or its Shareholders or its investors for the loss of any financial instrument held in custody by the Depositary or any of its sub-custodian or other custodial delegate. The Depositary shall however, not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary is also liable to the Company for all other losses suffered by them as a result of the Depositary's failure to exercise reasonable care and diligence or properly fulfil its duties in accordance with the UCITS Regulation.

The Depositary may entrust all or part of the assets of the Company that it holds in custody to such third party as may be determined by the Depositary from time to time ("**sub-custodian**"). Except as provided in the UCITS Regulation, the Depositary's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to a sub-custodian (see also above). Subject to the terms of the Depositary Agreement, entrusting the custody of assets to the operator of a securities settlement system is not considered to be a delegation of custody functions.

When selecting and appointing a sub-custodian or other delegate, the Depositary shall exercise all due skill, care and diligence as required by the UCITS Regulation to ensure that it entrusts the Company's assets only to a delegate who may provide an adequate standard of protection.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirement (i.e. the effective prudential Regulation) under the 2010 Law, the Depositary may, but shall be under no obligation to, delegate to a local entity to the extent required by the law of such jurisdiction and as long as no other local entity meeting such requirements exists, provided

however that (i) the investors, prior to their investment in the Company, have been duly informed of the fact that such a delegation is required, of the circumstances justifying the delegation and of the risks involved in such a delegation and (ii) instructions to delegate to the relevant local entity have been given by or for the Company.

The current list of sub-custodians used by the Depositary and sub-delegates that may arise from any delegation is attached in Appendix E, and the latest version of such list may be obtained by investors from the Company upon request.

The Depositary Agreement may be terminated by any party on 90 days' notice in writing. Subject to the UCITS Regulation, the Depositary Agreement may also be terminated by the Depositary on 30 days' notice in writing under the conditions and circumstances set forth in the Depositary Agreement.

The Depositary is not allowed to carry out activities with regard to the Company that may create conflicts of interest between the Company, the Shareholders and the Depositary itself, unless the Depositary has properly identified any such potential conflicts of interest, has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Shareholders. Please refer to the section 2.9 Conflicts of Interests for further information on any such conflicts of interest.

Up-to-date information on the identity of the Depositary, a description of its duties and of conflicts of interests that may arise, a description of any delegated functions and any thereto related conflicts of interest may be obtained by the investors at the registered office of the Company upon request.

THE ADMINISTRATOR AND PAYING AGENT

Under an administration agreement, J.P. Morgan SE, acting through its Luxembourg Branch has been appointed as Administrator of the Company and the Funds, to administer the computation of the Net Asset Value per Share of the different Funds, and to perform other general administrative functions. For its services, the Administrator receives an annual fee, payable monthly, which is part of the Administration Charge as set forth herein under the Section 2.5 "Charges and Expenses".

As part of the implementation of the J.P. Morgan legal entity strategy in Europe, J.P. Morgan Bank Luxembourg S.A., the previous depositary, administrator and paying agent of the Company and the Funds, merged into J.P. Morgan AG on 22 January 2022 which at the same time changed its legal form from a German Stock Corporation (Aktiengesellschaft) to a European Company ("*Societas Europaea*"), being J.P. Morgan SE.

As from 22 January 2022, J.P. Morgan SE is a European Company (“*Societas Europaea*”) organized under the laws of Germany and registered with the commercial register of the local court of Frankfurt; it is a credit institution subject to direct prudential supervision by the European Central Bank, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German Central Bank. J.P. Morgan SE, Luxembourg Branch is authorized by the CSSF to act as depositary and fund administrator.

THE DOMICILIARY AGENT

Pursuant to a domiciliary agent agreement, the Company has appointed MSIM Fund Management (Ireland) Limited, Luxembourg branch as its Domiciliary Agent to provide the Company’s registered address, to store its corporate documents and to perform other related administrative functions.

THE REGISTRAR AND TRANSFER AGENT

Pursuant to a registrar and transfer agency agreement, CACEIS Investor Services Bank S.A. in Luxembourg has been appointed as Registrar and Transfer Agent to administer the issue, conversion and redemption of Shares, the maintenance of records and other related administrative functions.

DATA PROTECTION

A detailed data protection notice is included as Appendix D to this prospectus. Shareholders and prospective Shareholders should read the information contained in Appendix D to understand how the Company, the Management Company, their affiliates and anyone acting on their behalf will process personal data.

DISSOLUTION

The Company has been established for an unlimited period of time. However, the Company may be dissolved and liquidated at any time by a resolution of the general meeting of Shareholders.

In the event of dissolution, the liquidator(s) appointed by the Shareholders of the Company in accordance with the Supervisory Authority will realise the assets of the Company in the best interests of the Shareholders, and the Depositary, upon instruction given by the liquidator(s), will distribute the net proceeds of liquidation (after deducting all liquidation expenses) among the Shareholders of each Class of Shares in proportion to their respective rights. As provided for by Luxembourg law, at the close of liquidation, the proceeds of liquidation corresponding to Shares not surrendered for repayment will be kept in safe custody at the “*Caisse de Consignation*” until the statute of limitation has lapsed. If an event requiring liquidation arises, issue, redemption, exchange or conversion of the Shares is void.

In the event that for any reason the value of the total net assets in any Fund or the value of the net assets of any Class of Shares within a Fund has decreased to, or has not reached, an amount determined by the Directors to be the minimum level for such Fund to be

operated in an economically efficient manner, which shall be not less than the amount provided for under “Compulsory Redemption” heretofore, or in case of substantial modification in the political, economic or monetary situation or as a matter of economic rationalization, the Directors may decide to compulsorily redeem all the Shares of the relevant Classes issued in such Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses as well as the liquidation costs, as the case may be), calculated at the valuation point at which such decision shall take effect. The Company shall serve a notice to the holders of the relevant Classes of Shares in writing prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations.

In addition, any feeder fund shall be liquidated and their Shares compulsorily redeemed pursuant to the procedure set forth above in the event of the liquidation, division or merger of the relevant master fund, except to the extent permitted, and in compliance with the conditions set out under the 2010 Law and the CSSF Regulation 10-05.

In addition, the general meeting of Shareholders of the Classes of Shares issued in any Fund may, upon proposal from the Directors, redeem all the Shares of the relevant Classes issued in such Fund and refund to the Shareholders the net asset value of their Shares (taking into account actual realisation prices of investments and realisation expenses as well as the liquidation costs, as the case may be) calculated at the valuation point at which such decision shall take effect.

There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the “*Caisse de Consignation*” on behalf of the persons entitled thereto. The assets may be refunded upon duly justified request made to the “*Caisse de Consignation*”. In case the assets have not been refunded within a period of thirty years as from the date of the consignment, they are forfeited by the Luxembourg State. Not later than six months before the expiry of this period of thirty years, the “*Caisse de Consignation*” shall notify by registered letter the beneficiaries whose domicile is known according to the documents in its possession of the forfeiture they incur. In the absence of a known domicile or in the absence of a claim of the rightful beneficiaries within two months of the sending of the aforementioned registered letter, the indications which allow the beneficiary to appear are published immediately in the *Mémorial*. The “*Caisse de Consignation*” is entitled to retain an annual fee at a rate between 0.5% and 3% of the estimated value of the assets (*i.e.* this annual fee has been set to 1% since a Grand Ducal Regulation dated 4 February 2000).

All redeemed Shares shall be cancelled.

AMALGAMATION

In the event that for any reason the value of assets in any Fund has decreased to, or has not reached, an amount determined by the Directors to be the minimum level for such Fund to be operated in an economically efficient manner or in case of a substantial modification in the political, economic or monetary situation, or as a matter of economic rationalisation the Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the assets of the Company or of any Fund with those of (i) another existing Fund within the Company or another Fund within such other Luxembourg or foreign UCITS (the “New Fund”), or of (ii) another Luxembourg or foreign UCITS (the “New UCITS”) and to designate the Shares of the Company or the Fund concerned, as Shares of the New UCITS or of the New Fund, as applicable. The Directors are competent to decide on, or approve, the effective date of the merger. Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project to be established by the boards of directors and the information to be provided to the Shareholders.

The Directors may decide to proceed with the absorption by the Company or one or several Funds of (i) one or several sub-funds of another Luxembourg or a foreign UCI, irrespective of their form, or (ii) any Luxembourg or foreign UCI constituted under a non-corporate form. The exchange ratio between the relevant shares of the Company and the shares or units of the absorbed UCI or of the relevant sub-fund thereof will be calculated on the basis of the relevant net asset value per share or unit as of the effective date of the absorption. Such a merger does not require the prior consent of the Shareholders except where the Company ceases to exist as a result of the merger; in such case, the general meeting of shareholders of the Company must decide on the merger and its effective date. Such general meeting will decide by resolution taken subject to a quorum and majority requirements referred to in Article 30 of the Articles of Incorporation.

Notwithstanding the powers conferred on the Directors by the preceding paragraphs, the Shareholders of the Company or any Fund may also decide on any of the mergers or absorptions described above and on their effective date thereof. The convening notice to the general meeting of shareholders will indicate the reasons for and the process of the proposed merger or absorption. Such decision can be adopted by a simple majority of the votes validly cast with no quorum requirement.

In addition to the above, the Company may also absorb another Luxembourg or foreign UCI incorporated under a corporate form in compliance with the Law of 10 August 1915 on commercial companies, as amended and any other applicable laws and regulations.

In the event that for any reason the value of the net assets of any Class of Shares within a Fund has decreased to, or has not reached, an amount determined by the Directors to be the minimum level for such Class of Shares, to be operated in an economically efficient manner in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalization, the Directors may decide to amend the rights attached to any Class of Shares so as to include them in any other existing Class of Shares and re-designate the Shares of the Class or Classes concerned as Shares of another Class. Such decision will be subject to the right of the relevant Shareholders to request, without any charges, the redemption of their shares or, where possible, the conversion of those Shares into Shares of other Classes within the same Fund or into Shares of same or other Classes within another Fund in compliance with Section 2.4 “Conversion of Shares” above.

The assets which may not or are unable to be distributed to such Shareholders for whatever reasons will be deposited with the “*Caisse de Consignation*” on behalf of the persons entitled thereto.

NOTIFICATION OF CHANGES TO THE COMPANY, FUNDS, AND/OR SHARE CLASSES¹⁹

Subject to the below, notifications required to be provided to Shareholders concerning changes to the Company, Funds, and/or Share Classes will be given using any one of the following methods (or a combination of these):

- i. post (or any equivalent mail service);
- ii. the Company’s website, www.morganstanleyinvestmentfunds.com, and any local country specific Morgan Stanley website as required;
- iii. in the annual or semi-annual reports of the Company.

Where it is required under Luxembourg law for a specific change, requested by the CSSF (or another overseas regulator where the Company is registered for its local Shareholders) or otherwise determined by the Directors, Shareholders will be notified by post (or equivalent mail service), or in such other manner as may be prescribed under applicable law from time to time, as the primary form of communication to Shareholders.

For any notifications to Shareholders which are made solely via the website or the annual or semi-annual reports of the Company, paper copies will also be made available free of charge upon request to your usual Morgan Stanley representative or the Management Company.

¹⁹ This section is not in force at the date of this Prospectus. It will only become effective at the Directors’ discretion, at which time, a notice will be dispatched to all Shareholders.

GENERAL MEETINGS

The Annual General Meeting of Shareholders of the Company is held at the registered office of the Company on the second Tuesday of the month of May at 10:30 a.m.

Shareholders of any Class or Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Fund or to such Class.

Notices of all general meetings are sent by mail to all registered Shareholders at their registered address at least eight days prior to the meeting. Such notice will indicate the time and place of the meeting, the conditions of admission thereto, will contain the agenda and refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at the meeting. To the extent required by law, further notices will be published in the *Mémorial* and in one Luxembourg newspaper.

ANNUAL AND SEMI-ANNUAL REPORTS

Audited reports to the Shareholders in respect of the preceding financial year of the Company, and the consolidated accounts of the Company, are made available at the registered office of the Company, of the Registrar and Transfer Agent and of the Management Company and shall be available at least eight days before the Annual General Meeting. In addition, unaudited semi-annual consolidated reports are also made available at such registered offices within two months after 30 June. The annual and semi-annual reports are also available on the Company's website (www.morganstanleyinvestmentfunds.com). The Company's financial year ends on 31 December. The Company's reference currency is USD.

The notice for the annual general meeting will contain an offer to provide to Shareholders upon request and free of charge a copy of the complete version of such annual and semi-annual reports.

In compliance with any applicable laws, Shareholders and third parties may, on request, receive additional information in relation to securities held by the Funds.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected free of charge during usual business hours on any week day (Saturday and public holidays excepted) at the registered office of the Company: European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

- a) the Articles of Incorporation of the Company;
- b) the Articles of Incorporation of the Investment Adviser(s);
- c) the material contracts referred to above; and
- d) the financial reports of the Company.

The documents under (a) and (b) may be delivered to interested investors at their request.

ADDITIONAL INFORMATION

Additional information such as details of Complaints Handling, Proxy Voting, Best Execution and Conflicts of Interest policies are available from MSIM Fund Management (Ireland) Limited, Luxembourg Branch, European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, Luxembourg.

E-mail: cslux@morganstanley.com

PROBATE

Upon the death of a Shareholder, the Directors reserve the right to require the provision of appropriate legal documentation to evidence the rights of the Shareholder's legal successor.

Morgan Stanley Investment Funds

Société d'Investissement à Capital Variable R.C.S. Luxembourg B 29192

DIRECTORS OF THE COMPANY

Carine Feipel, independent non-executive director and Chairwoman, Luxembourg

Diane Hosie, non-executive director, UK

Zoë Parish, executive director, Morgan Stanley Investment Management, UK

Susanne Van Dootingh, independent non-executive director, Belgium

Arthur Lev, non-executive director, United States of America

Carine Feipel (Luxembourg) is a non-executive director and Chairwoman of the Company. Ms. Feipel is a Luxembourg attorney and certified independent director. She is the current Chair of ILA.

Ms. Feipel obtained the INSEAD IDP Certificate on Corporate Governance in 2014 and was admitted by ILA as a Certified Director in the same year. Ms. Feipel serves the Board of Directors of a Luxembourg based bank, four insurance companies, both active in the life insurance and the non-life insurance fields. Ms. Feipel is further a member of the Board of Directors of various Luxembourg companies active in the financial and investment funds sectors. In 2014, Ms. Feipel was elected to the Board of Directors of ILA and became a member of the Management Committee of such association. She was appointed as Chair of such professional association in June 2019.

Since January 2014, Ms. Feipel practices as an independent lawyer, notably advising insurance and reinsurance companies as well as other financial institutions. Ms. Feipel has 20 years of experience as a lawyer with the Luxembourg law firm Arendt & Medernach where she headed the insurance law practice and was co-head of the employment law practice. Ms. Feipel was also a member of the Board of such firm and headed its New York office from 2007 to 2012. Since 2010, Ms. Feipel has been a member of various committees within the *Haut Comité pour la Place Financière*, a Government lead think tank coordinating promotion and innovation initiatives for the Luxembourg financial sector.

Diane Hosie (United Kingdom) is a non-executive director of the Company and formally International Head of Morgan Stanley Investment Managements client services and distribution oversight teams. Ms Hosie joined Morgan Stanley Investment Management in 1997 as a Senior Associate within Investment Management Operations and was named Managing Director in 2014. She has over 30 years' experience in Asset Management. Prior to Morgan Stanley Investment Management Ms Hosie spend nine years with Nomura Capital Management.

Ms. Hosie is an Executive Director on a number of Luxembourg fund boards including Morgan Stanley Investment Funds, Morgan

Stanley Liquidity Funds Board, and Morgan Stanley Asset Management S.A. She is also a Non-Executive Director of MSIM Fund Management (Ireland) Ltd.

Zoë Parish (United Kingdom) is a Managing Director of Morgan Stanley and the Head of International Product and Board Governance for Morgan Stanley Investment Management. Before returning to Morgan Stanley in 2019, Zoë spent 4 years at Coutts and Co and was most recently Head of Europe and Americas. Prior to that she was Head of Delivery responsible for developing and implementation of strategies for Coutts products for England and Wales. Prior to this she was business lead for several strategic projects for the firm including a web based investment platform. From 1993 to 2014, Zoë held leadership and product roles in Morgan Stanley's Private Wealth Management business in EMEA. In her latest role with the firm as Managing Director, she was Head of Product and also headed up the Alternatives platform, the Private Investment Club and Strategic Lead Management for EMEA. Zoë received a B. A. (Hons) and an LLB (Hons) both from the University of London. She also sits on the Board of Morgan Stanley Asset Management S.A and is the Chairman of the Board of Trustees for the University of London Boat Club.

Susanne van Dootingh (Belgium) is a non-executive director of the Company. Ms. van Dootingh is an independent non-executive director of various Luxembourg domiciled investment funds and management companies. Prior to becoming an independent non-executive director in 2017, Ms. van Dootingh worked at State Street Global Advisors from 2002 to 2017 with her final position being Senior Managing Director, Head of European Governance and Regulatory Strategy, EMEA. During her tenure at SSGA she held various other senior positions, amongst others in Global Product Development and Fixed Income Strategy, and was the chairwoman of the SSGA flagship Luxembourg Sicav and Management Company and various other boards for a decade. Before joining SSGA in 2002 Ms. van Dootingh gained experience in global fixed income portfolio management and strategy at Fortis Investment Management, Barclays Global Investors and ABN AMRO Asset Management. She graduated from the Vrije Universiteit Amsterdam with a Master's degree in Financial Sector Management.

Arthur Lev (United States of America) is a non-executive director of the Company. Arthur Lev is the former Chairman of Morgan Stanley Investment Management (MSIM), where he spent nearly twenty years in a variety of business, risk and legal roles, most recently managing MSIM's Long Only and Alternatives businesses. Arthur also spent four years at FrontPoint Partners, a hedge fund firm that was acquired by Morgan Stanley. Arthur is currently an independent board member (and chair of the Audit and Risk Committee) of Russell Investments, a global money manager based in Seattle, WA, and Next Capital, a digital investment adviser and financial technology firm based in Chicago, IL. Arthur was previously an independent director at Techstars, a startup

accelerator platform, based in Boulder, CO. Arthur is also an adviser to fintech startups focused on customized portfolio solutions and cryptocurrency trading. Arthur is a graduate of the University of Southern California (AB, 1983) and Harvard Law School (JD, 1986).

DIRECTORS OF THE MANAGEMENT COMPANY

Eimear Cowhey, independent non-executive director, Ireland

Michael Hodson, independent non-executive director, Ireland.

Diane Hosie, non-executive director, United Kingdom

Elaine Keenan, Managing Director, Morgan Stanley Investment Management, CEO and COO of MSIM Fund Management (Ireland) Limited

Liam Miley, independent non-executive director and Chairman, Ireland

Ruairi O'Healai, Managing Director, Morgan Stanley Investment Management, COO Morgan Stanley Investment Management EMEA

MANAGEMENT COMPANY

MSIM Fund Management (Ireland) Limited
24-26 City Quay
Dublin 2 D02NY19
Ireland

INVESTMENT ADVISER

Morgan Stanley Investment Management Limited
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

SUB-ADVISERS

Morgan Stanley Investment Management Inc.
522 Fifth Avenue
New York
NY 10036
United States of America

Mitsubishi UFJ Asset Management (UK) Ltd.
24 Lombard Street
London EC3V 9AJ
United Kingdom

Morgan Stanley Saudi Arabia
Al Rashid Tower, Floor 10
Al Ma'ather Street
PO Box 66633
Riyadh 11586
Saudi Arabia

Calvert Research and Management
1825 Connecticut Avenue NW, Suite 400
Washington
DC 20009
United States of America

Eaton Vance Advisers International Ltd.
125 Old Broad Street
London EC2N 1AR
United Kingdom

Morgan Stanley Investment Management Company
23 Church Street
16-01 Capital Square
Singapore, 049481

Morgan Stanley Asia Limited
Level 46, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Morgan Stanley Investment Management (Australia) Pty Limited
Level 61, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Eaton Vance Management
2 International Place, Suite 1400
Boston
MA 02110
United States of America

Parametric Portfolio Associates, LLC
800 Fifth Avenue, Suite 2800
Seattle
WA 98104
United States of America

Atlanta Capital Management Company, LLC
1075 Peachtree Street NE, Suite 2100
Atlanta
GA 30309
United States of America

DELEGATED ADVISER

Mitsubishi UFJ Asset Management Co., Ltd.
1-9-1, Higashi-Shinbashi, Minato-ku
Tokyo
Japan

ADMINISTRATOR AND PAYING AGENT OF THE COMPANY

J.P. Morgan SE, Luxembourg Branch
European Bank and Business Centre
6 route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

DOMICILIARY AGENT OF THE COMPANY

MSIM Fund Management (Ireland) Limited Luxembourg Branch
European Bank and Business Centre
6B route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

REGISTRAR AND TRANSFER AGENT OF THE COMPANY

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

DEPOSITARY OF THE COMPANY

J.P. Morgan SE, Luxembourg Branch
European Bank and Business Centre
6 route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

AUDITOR OF THE COMPANY

Ernst & Young S.A.
35E, avenue J.F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

**LEGAL ADVISER OF THE COMPANY AS TO
LUXEMBOURG LAW**

Arendt & Medernach S.A.
41A, avenue J.F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

Appendix A

Investment Powers and Restrictions

INVESTMENT AND BORROWING POWERS

1. The Company's Articles permit it to invest in transferable securities and other liquid financial assets, to the full extent permitted by Luxembourg law. The Articles have the effect that, subject to the law, it is at the Directors' discretion to determine any restrictions on investment or on borrowing or on the pledging of the Company's assets.

INVESTMENT AND BORROWING RESTRICTIONS

The following restrictions apply to all investments by the Company except investments by the Company in any wholly-owned subsidiary.

2. The following restrictions of Luxembourg law and (where relevant) of the Directors currently apply to the Company:

2.1. The investments of each Fund shall consist of:

- a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments in Member States of the EU ("**Regulated Market**");
- b) transferable securities and money market instruments dealt in on other regulated markets that are operating regularly, are recognised and are open to the public ("**Other Regulated Market**") in Member States of the EU;
- c) transferable securities and money market instruments admitted to official listings on stock exchanges in any other country in Europe, Asia, Oceania, the American and African continents;
- d) Transferable securities and money market instruments dealt in on any Other Regulated Markets in Europe, Asia, Oceania, the American and African continents;
- e) recently issued transferable securities and money market instruments provided that the terms of the issue include an undertaking that application will be made for admission to the official listing on one of the stock exchanges as specified in a) and c) or Other Regulated Markets as specified in b) and d) and that such admission is secured within a year of issue;
- f) units of UCITS and/or other undertakings for collective investment ("UCIs") within the meaning of Article 1(2), first and second indents of the UCITS Directive, including shares/units of a master fund qualifying as UCITS (as defined below), whether they are situated in a Member State or not, provided that:

- such other UCIs are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
- the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the UCITS' or the other UCIs' assets (or of the assets of any sub-fund thereof, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties), whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs. This restriction does not apply where a fund qualified as a feeder fund is investing in shares/units of a master fund qualifying as a UCITS;

For the purposes of this subparagraph (f), each sub-fund of a UCI with several sub-funds within the meaning of Article 181 of the 2010 Law must be considered as a separate issuer, provided that each sub-fund may be held severally liable for its own debts and obligations.

- g) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- h) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market or an Other Regulated Market; and/or financial derivative instruments dealt in over-the-counter ('OTC derivatives'), provided that:

- the underlying consists of instruments described in sub-paragraphs (a) to (g) above, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF and;
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- i) money market instruments other than those dealt in on a Regulated Market or an Other Regulated Market, which fall under Article 1 of the 2010 Law, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong or;
 - issued by an undertaking any securities of which are dealt in on Regulated Markets or Other Regulated Market referred to in subparagraphs (a),(b) or (c) above, or;
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law or;
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC (1), is an entity which, within a group of companies which includes one or several listed companies, is

dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2.2. Furthermore, each Fund may:

Invest no more than 10% of its net assets in securities and money market instruments other than those referred to in sub-paragraph 2.1.

2.3. Each Fund may acquire the units of UCITS and/or other UCIs referred to in paragraph 2.1 (f), provided that, unless (i) stated to the contrary in the investment policy of the relevant Fund and/or (ii) the Fund's denomination includes the term 'fund of funds', the aggregate investment in UCITS or other UCIs does not exceed 10% of the net assets of each Fund.

In the case of Funds not subject to the 10% restriction above, such Funds may acquire units of UCITS and/or UCIs provided that no more than 20% of its assets are invested in the units of a single UCITS or other UCI. Investments made by such Funds in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of the Fund.

When each Fund has acquired shares of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraph 2.6.

When the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same investment manager or by any other company with which the investment manager is linked by common management or control, or by a substantial direct or indirect holding ("a substantial direct or indirect holding" is defined as more than 10% of the capital or voting rights), no subscription, redemption and management fees may be charged on the target fund level to the Company on its investment in the units of such other UCITS and/or UCIs.

This restriction neither applies to Funds which are feeder funds. A UCITS or a sub-fund thereof is qualified as feeder fund provided that it invests at least 85% of its assets in another UCITS or sub-fund thereof ("master fund") provided such master fund is neither a feeder fund nor hold units/shares of a feeder fund within the meaning of the 2010 Law. To be qualified as feeder fund a Fund shall, in addition to investing 85% in the master fund, not invest more than 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with Article 41 (1) a) and b) of the 2010 Law;
- financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the 2010 Law;
- movable and immovable property which is essential for the direct pursuit of the Company's business.

Should a Fund qualify as feeder fund, a description of all remuneration and reimbursement of costs payable by the feeder fund by virtue of its investments in shares/units of the master fund, as well as the aggregate charges of both the feeder fund and the master fund, shall be disclosed in Section 2.5 "Charges and Expenses". The Company shall disclose in its Annual Report a statement on the aggregate charges of both the feeder fund and the master fund.

- 2.4. In addition, a Fund may subscribe, acquire and/or hold Shares of one or more Funds (the "Target Sub-Fund(s)"), without it being subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares provided that:
- the Target Sub-Fund does not, in turn, invest in the Fund invested in such Target Sub-Fund; and
 - no more than 10% of the net assets of the Target Sub-Fund the acquisition of which is contemplated may, be invested in aggregate in units/shares of other UCIs; and
 - voting rights, if any, attaching to the relevant Shares of the Target Sub-Fund(s) are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
 - in any event, for as long as these Shares of the Target Sub-Fund(s) are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets of the Fund as imposed by law; and
 - there is no duplication of management/subscription or repurchase fees between those at the level of the Fund having invested in the Target Sub-Fund and such Target Sub-Fund.
- 2.5. A Fund may hold ancillary liquid assets (*i.e.*, bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its net assets, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Law or for a

period of time strictly necessary in case of unfavourable market conditions. The above mentioned 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors, for instance in highly serious circumstances such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008.

- 2.6. A Fund may not invest in any one issuer in excess of the limits set out below:
- a) not more than 10% of a Fund's net assets may be invested in transferable securities or money market instruments issued by the same entity;
 - b) not more than 20% of a Fund's net assets may be invested in deposits made with the same entity;
 - c) by way of exception, the 10% limit stated in the first paragraph of this section may be increased to:
 - a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States belong;
 - a maximum of 25% in the case of certain bonds which fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council and for certain bonds that were issued before 8 July 2022 by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond holders. In particular, sums deriving from the issue of these bonds issued before 8 July 2022 must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. When a Fund invests more than 5% of its net assets in the bonds referred to in this paragraph and issued by one issuer, the total value of these investments may not exceed 80% of the value of the net assets of such Fund.
 - d) The total value of the transferable securities or money market instruments held by a Fund in the issuing bodies in each of which it invests more than 5% of its

net assets must not then exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision. The transferable securities and money market instruments referred to in the two indents set out in 2.6 (c) above shall not be taken into account for the purpose of applying the limit of 40% referred to in this paragraph.

Notwithstanding the individual limits laid down in sub-paragraphs 2.6 (a) to (d) above, a Fund may not combine:

- investments in transferable securities or money market instruments issued by a single entity, and/or
- deposits made with a single entity, and/or
- exposures arising from OTC derivative transactions undertaken with a single entity,

in excess of 20% of its net assets.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above mentioned restrictions.

The limits provided for in sub-paragraphs 2.6 (a) to (d) above may not be combined, and thus investments in transferable securities or money market instruments issued by the same entity or in deposits or derivative instruments made with this entity carried out in accordance with paragraphs 2.6 (a) to (d) shall under no circumstances exceed in total 35% of the net assets of the Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/ EEC or in accordance with recognized international accounting rules, are regarded as a single entity for the purpose of calculating the investment limits mentioned in sub-paragraphs 2.6. (a) to (d) above.

The Fund may not invest cumulatively more than 20% of its net assets in transferable securities or money market instruments of the same group subject to restrictions 2.6 (a) and the three indents under 2.6 (d) above.

Without prejudice to the limits laid down in paragraph 2.8 below, the limit of 10% laid down in sub-paragraph 2.6 (a) above is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of a Fund is to replicate the composition of a certain equity or debt securities index which is recognised by the CSSF, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

By way of derogation, each Fund is authorised to invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by an EU Member State, its local authorities, by another member state of the OECD or of the Group of twenty (G20), by the Republic of Singapore or Hong-Kong or by public international bodies of which one or more EU Member States are members, provided that (i) such securities are part of at least six different issues and (ii) securities from any one issue do not account for more than 30% of the net assets of such Fund.

2.7. The Company may not invest in shares with voting rights enabling it to exercise significant influence over the management of the issuing body.

2.8. The Company may not:

- a) acquire more than 10% of the shares with non-voting rights of one and the same issuer;
- b) acquire more than 10% of the debt securities of one and the same issuer;
- c) acquire more than 25% of the units of one and the same undertaking for collective investment;
- d) acquire more than 10% of the money market instruments of any single issuer.

The limits stipulated in sub-paragraphs 2.8. (b) (c) and (d) above may be disregarded at the time of acquisition if, at that time, the gross amount of debt securities or of the money market instruments, or the net amount of securities in issue cannot be calculated.

2.9. The limits stipulated in paragraphs 2.7. and 2.8. above do not apply to:

- a) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
- b) transferable securities and money market instruments issued or guaranteed by a non-EU Member State;

- c) transferable securities and money market instruments issued by public international institutions to which one or more EU Member States are members;
 - d) transferable securities held by a Fund in the capital of a company incorporated in a non-Member State investing its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which such Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the 2010 Law. Where the limits set in Articles 43 and 46 of the 2010 Law are exceeded, Article 49 shall apply *mutatis mutandis*;
 - e) transferable securities held by the Company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unitholders' request exclusively on its or their behalf.
- 2.10. The Company may always, in the interest of the shareholders, exercise the subscription rights attached to securities, which forms part of its assets.
- When the maximum percentages stated in paragraphs 2.2 through 2.8 above are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt, as a priority objective, sales transactions to remedy the situation, taking due account of the interests of its shareholders.
- 2.11. A Fund may borrow to the extent of 10% of its total net assets (valued at market value) provided these borrowings are made on a temporary basis. However, the Company may acquire for the account of a Fund foreign currency by way of back-to-back loan. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or future contracts are not deemed to constitute "borrowings" for the purpose of this restriction.
- 2.12. The Company may not grant credit facilities nor act as guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, money market instruments or other financial investments referred to in sub-paragraphs 2.1 (f), (h) and (i) above, in fully or partly paid form and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan.
- 2.13. The Company undertakes not to carry out uncovered sales transactions of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 2.1 (f), (h) and (i) above; provided that this restriction shall not prevent the Company from making deposits or carrying out accounts in connection with financial derivatives instruments, permitted within the limits referred to below.
- 2.14. The Company's assets may not include precious metals or certificates representing them or commodities.
- 2.15. The Company may not purchase or sell real estate or any option, right or interest therein, provided that the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- 2.16. The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.
- 2.17. The Company shall not issue warrants or other rights to subscribe for Shares in the Company to its Shareholders.
- 2.18. For the Cash Equivalents, a Fund may invest in them pursuant to the applicable investment restrictions, in order to (i) achieve its investment goals, and/or for (ii) treasury purposes, and/or (iii) in case of unfavourable market conditions.
- The Company shall take the risks that it deems reasonable to reach the assigned objective set for each Fund; however, it cannot guarantee that it shall reach its goals given stock exchange fluctuations and other risks inherent in investments in transferable securities.

3 DERIVATIVES AND EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

- 3.1. The Funds are authorised to use derivatives either for hedging or efficient portfolio management purposes including duration management or as part of their investment strategies as described in the Funds' investment objectives.
- 3.2. The Company must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it must employ a process for accurate and independent assessment of the value of OTC derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.

- 3.3. The Company will ensure that the global exposure relating to derivatives shall not exceed the total net value of a Fund. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The Funds may invest, as part of their investment policy and within the limits laid down in paragraph 2.6 (a) to (d) above in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 2.6. When a Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph 2.6.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.

- 3.4. On an ancillary basis, the Company can also enter into one or several TRS to gain exposure to reference assets, which may be invested according to the investment policy of the relevant Fund. In particular, TRS may be used to gain exposures where a direct investible instrument is not available, or to implement the stated investment policy of the relevant Fund in a more efficient manner.

A TRS is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation, which may for example be a share, bond or index, to the other party (total return receiver). The total return receiver must in turn pay the total return payer any reduction in the value of the reference obligation and possibly certain other cash flows. Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses. A Fund may use a TRS to gain exposure to an asset (or other reference obligation), which it does not wish to buy and hold itself, or otherwise to make a profit or avoid a loss. TRS entered into by a Fund may be in the form of funded and/or unfunded swaps. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference obligation.

Where a Fund enters into a TRS or invests in other derivatives with similar characteristics (within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, Regulation (EU) 2015/2365):

- the assets held by the Fund should comply with the investment limits set out in paragraphs 2.3, 2.6, 2.7, 2.8 and 2.9 above; and
- the underlying exposures of such derivatives must be taken into account to calculate the investment limits laid down in paragraph 2.6 above.
- none of the counterparties will have discretion over the composition or management of the portfolio of the Fund or the underlying assets of the financial derivative instruments.

In addition, the Company may only enter into TRS with regulated financial institutions which have their registered office in one of the OECD countries, and which are specialised in such types of transactions and have a minimum credit rating of investment grade quality.

- 3.5. The expected and maximum proportion of the total assets which may be subject to TRS is summarized, for each relevant Fund, in the table below. In certain circumstances this proportion may be higher.

Relevant Funds	Expected level (in Maximum level (in	
	% of total assets)	% of total assets)
Calvert Sustainable Global Green Bond Fund	0	25
China A-shares Fund	0	15
China Equity Fund	0	15
Emerging Leaders Equity Fund	0	15
Emerging Markets Corporate Debt Fund	0	25
Emerging Markets Debt Fund	0	25
Emerging Markets Debt Opportunities Fund	0	30
Emerging Markets Domestic Debt Fund	0	25
Emerging Markets Fixed Income Opportunities Fund	0	25
Emerging Markets Local Income Fund	2	30
Europe Opportunity Fund	0	25
European High Yield Bond Fund	0	25
Global Balanced Defensive Fund	0	50
Global Balanced Fund	0	50
Global Balanced Income Fund	0	50
Global Balanced Risk Control Fund of Funds	0	50
Global Bond Fund	0	25
Global Brands Equity Income Fund	190	250

Relevant Funds	Expected level (in % of total assets)	Maximum level (in % of total assets)
Global Credit Fund	0	25
Global Fixed Income Opportunities Fund	0	25
Global Insight Fund	0	15
Global Macro Fund	10	500
Indian Equity Fund	0	15
NextGen Emerging Markets Fund	0	15
Parametric Commodity Fund	100	100
Short Duration US Government Income Fund	0	100
Sustainable Asia Equity Fund	0	15
Sustainable Emerging Markets Equity Fund	0	15
Systematic Liquid Alpha Fund	600	2000
Tailwinds Fund	0	15
US Advantage Fund	0	15
US Dollar Corporate Bond Fund	0	25
US Dollar Short Duration Bond Fund	0	25
US Dollar Short Duration High Yield Bond Fund	0	25
US Growth Fund	0	15
US High Yield Middle Market Bond Fund	0	25

3.6. Each Fund may incur costs and fees in connection with TRS or other financial derivative instruments with similar characteristics, upon entering into TRS and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Adviser or the Management Company, if applicable, may be available in the Annual Report. All revenues arising from TRS, net of direct and indirect operational costs and fees, will be returned to the relevant Fund.

3.7. The Annual Reports will contain, in respect of each Fund that has entered into financial derivative instruments over the relevant reporting period, details of:

- the underlying exposure obtained through financial derivative instruments;
- the identity of the counterparty(ies) to these financial derivative instruments;

- the costs and fees in connection with TRS or other financial derivative instruments with similar characteristics;

- the type and amount of collateral received to reduce counterparty risk exposure.

3.8. The Funds are authorised to employ techniques and instruments relating to transferable securities or money market instruments subject to the following conditions:

- a) they are economically appropriate in that they are realised in a cost-effective way;
- b) they are entered into for one or more of the following specific aims:
 - i. reduction of risk;
 - ii. reduction of cost;
 - iii. generation of additional capital or income for the relevant Fund with a level of risk which is consistent with its risk profile and applicable risk diversification rules;
- c) their risks are adequately captured by the Company's risk management process.

3.9. The efficient portfolio management techniques (“**EPM Techniques**”) that may be employed by the Funds in accordance with paragraph 3.8 above include securities lending transactions (within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, Regulation (EU) 2015/2365).

Securities lending transactions consist in transactions whereby a lender transfers the ownership of an asset (securities or instruments) to a third party, a borrower, subject to a commitment that the borrower will pay a fee to the lender for the use of the loaned asset and will agree to return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred. Even though the parties are called lender and borrower, actual ownership of the assets is transferred.

The Funds may engage in securities lending transactions, provided that they are in the best interests of investors to do so and the associated risks have been properly mitigated and addressed. The counterparties to securities financing transactions should be financial institutions which are subject to ongoing prudential regulation and supervision.

None of the Funds has entered into repurchase agreements and reverse repurchase agreements.

3.10. The use of EPM Techniques by the Funds is subject to the following conditions:

- a) The Company may enter into EPM Techniques only through a standardised system organised by a recognised clearing institution or through a regulated financial institutions which have their registered office in one of the OECD countries, and which are specialised in such types of transactions and have a minimum credit rating of investment grade quality.

Authorised counterparties or securities lending agents must be specialised in the relevant types of transactions and either credit institutions with a registered office in an EU Member State or an investment firm authorised under the MiFID directive or an equivalent set of rules, and subject to prudential supervision, with an investment grade credit rating.

- b) When entering into a securities lending agreement, the Company should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement.
- c) The Company's Annual Report will include the following information:
- i. the exposure obtained through EPM Techniques;
 - ii. the identity of the counterparty(ies) to these EPM Techniques;
 - iii. the type and amount of collateral received by the Company to reduce counterparty exposure; and
 - iv. the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

3.11. The Funds listed in the table below may enter into securities lending transactions opportunistically and on a temporary basis. The Funds may use securities lending for the purpose of efficient portfolio management to generate additional capital or income through the transaction itself or through the reinvestment of the cash collateral. The expected and maximum proportion of the total assets which may be subject to securities lending transactions is summarized, for each relevant Fund, in the table below. In certain circumstances this proportion may be higher.

Relevant Funds	Expected level (in Maximum level (in % of % of total assets) total assets)	
	Asia Opportunity Fund	0
Asian Property Fund	8	33
Calvert Sustainable Climate Transition Fund	12	33
Calvert Sustainable Global Green Bond Fund	0	33
China A-shares Fund	0	33
China Equity Fund	1	33
Counterpoint Global Fund	9	33
Developing Opportunity Fund	0	33
Emerging Leaders Equity Fund	0	33
Emerging Markets Corporate Debt Fund	8	33
Emerging Markets Debt Fund	13	33
Emerging Markets Debt Opportunities Fund	0	15
Emerging Markets Domestic Debt Fund	0	33
Emerging Markets Fixed Income Opportunities Fund	0	33
Emerging Markets Local Income Fund	5	15
Euro Bond Fund	12	33
Euro Corporate Bond Fund	8	33
Euro Corporate Bond – Duration Hedged Fund	7	33
Euro Strategic Bond Fund	4	33
European Fixed Income Opportunities Fund	6	33
European High Yield Bond Fund	15	33
European Property Fund	7	33
Floating Rate ABS Fund	3	33
Global Bond Fund	2	33
Global Convertible Bond Fund	9	33
Global Credit Fund	2	33
Global Credit Opportunities Fund	3	33
Global Endurance Fund	0	33
Global Fixed Income Opportunities Fund	2	33
Global Focus Property Fund	0	33
Global Infrastructure Fund	3	33
Global Macro Fund	0	33

Relevant Funds	Expected level (in % of total assets)	Maximum level (in % of total assets)
Global Opportunity Fund	1	33
Global Permanence Fund	0	33
Global Property Fund	4	33
Indian Equity Fund	0	33
NextGen Emerging Markets Fund	0	33
Saudi Equity Fund	0	33
Short Duration US Government Income Fund	0	25
Short Maturity Euro Bond Fund	6	33
Short Maturity Euro Corporate Bond Fund	3	33
Sustainable Asia Equity Fund	1	33
Sustainable Emerging Markets Equity Fund	1	33
Sustainable Euro Corporate Bond Fund	6	33
Sustainable Euro Strategic Bond Fund	5	33
Tailwinds Fund	5	33
US Advantage Fund	1	33
US Focus Property Fund	0	33
US Insight Fund	4	33
US Growth Fund	2	33
US High Yield Middle Market Bond Fund	0	33
US Property Fund	1	33
Vitality Fund	1	33

3.12. Each Fund may incur costs and fees in connection with securities lending transactions. In particular, a Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Adviser or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Investment Adviser or the Management Company, if applicable, may be available in the Annual Report. All revenues arising from securities lending transactions, net of direct and indirect operational costs and fees, will be returned to the Fund.

3.13. The counterparty risk arising from OTC derivative instruments and EPM Techniques may not exceed 10% of the assets of a Fund when the counterparty is a credit

institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.

3.14. For the purpose of the restriction set out in paragraph 3.14., above, the counterparty risk of a Fund towards a counterparty under OTC derivative instruments or EPM Techniques is reduced by the amount of collateral posted in favour of the Fund. Collateral received by the Funds must comply at all times with the eligibility requirements set out in the Collateral Policy (Appendix B).

3.15. The collateral eligibility requirements set out in the Collateral Policy (Appendix B) stem from the ESMA Guidelines 2014/937 on ETFs and other UCITS issues (the “ESMA Guidelines 2014/937”) that apply to Luxembourg UCITS in accordance with CSSF Circular 14/592.

Appendix B

Collateral Policy

1. GENERAL

Funds are allowed to enter into OTC financial derivative transactions and to use EPM Techniques subject to the restrictions set out in Appendix A – Investment Powers and Restrictions, section 3 – “Derivatives and efficient portfolio management techniques”. In particular, the counterparty risk arising from OTC derivative instruments and EPM Techniques may not exceed 10% of the assets of a Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.

The counterparty risk of a Fund vis-à-vis a counterparty will be equal to the positive mark-to-market value of all OTC derivative and EPM Techniques transactions with that counterparty, provided that:

- if there are legally enforceable netting arrangements in place, the risk exposure arising from OTC derivative and EPM Techniques transactions with the same counterparty may be netted; and
- if collateral posted in favour of the Fund and such collateral complies at all times with the criteria set out in section 2. below, the counterparty risk of a Fund towards a counterparty under OTC derivative or EPM Techniques transactions is reduced by the amount of such collateral.

The purpose of this Appendix is to set the collateral policy that will be followed by all Funds.

2. ELIGIBLE COLLATERAL

2.1 General principles

Collateral received by a Fund may be used to reduce its counterparty risk exposure with a counterparty if it complies at all times with the criteria laid down in the ESMA Guidelines 2014/937. By way of derogation to the principle of collateral diversification laid down under 43 (e) of the ESMA Guidelines 2014/937, each Fund may have an exposure for up to 100% of its net assets in securities issued or guaranteed by a Member State, its local authorities, a member State of the OECD or by a public international body of which one or more Member States are members, provided that the Fund holds securities of at least six different issues and that the securities from any one issue do not account for more than 30% of the net assets of the Fund.

2.2 For the purpose of paragraph 2.1. above, all assets received by a Fund in the context of EPM Techniques should be considered as collateral.

2.3 Eligible assets

Collateral received by a Fund will only be taken into account for reducing its counterparty risk exposure with a counterparty if it consists of assets which are part of the following list:

- a) liquid assets. Liquid assets include not only cash and short-term bank certificates, but also money market instruments such as defined within the UCITS Directive. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets;
- b) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- c) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- d) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
- e) bonds issued or guaranteed by first class issuers offering an adequate liquidity;
- f) shares admitted to or dealt in on a Regulated Market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The above general collateral eligibility requirements are without prejudice to the more specific requirements which may apply to a Fund under Section 1.2 “Investment Objectives and Policies” of the Prospectus.

3. REINVESTMENT OF COLLATERAL

3.1 Non-cash collateral

Non-cash collateral received by a Fund may not be sold, re-invested or pledged.

3.2 Cash collateral

Cash collateral received by a Fund can only be:

- a) placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- b) invested in high-quality government bonds;
- c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- d) invested in Short-Term Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out in the ESMA Guidelines 2014/937.

4. SAFEKEEPING OF COLLATERAL

Collateral posted in favour of a Fund under a title transfer arrangement should be held by the Depositary or one of its correspondents or sub-custodians. Collateral posted in favour of a Fund under a security interest arrangement (*e.g.*, a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

5. LEVEL AND VALUATION OF COLLATERAL

The Company will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy.

6. HAIRCUT POLICY

The Company has a haircut policy relating to the classes of assets received as collateral. The Company typically receives cash, high-quality government and non-government bonds as collateral as well as listed shares. The Company will typically apply haircuts ranging from 0.5-10% for government bonds, from 5-15% for non-government bonds, and from 0.5-25% for listed shares. No haircut will generally be applied to cash collateral. Haircuts are assessed based on collateral credit quality, listing index, security liquidity, price volatility and tenor, and the Company may vary the haircut outside the above ranges if it considers it to be appropriate based on these factors.

Appendix C

Additional Information for Hong Kong Investors

IMPORTANT NOTICE

Investors should carefully review the Funds' investment objectives, features and all the risk factors set out in the current prospectus (the "Prospectus").

Subscriptions can be accepted only on the basis of the Prospectus, and the additional information for Hong Kong investors (the "Additional Information for Hong Kong Investors") which together form the Hong Kong offering documents for the Morgan Stanley Investment Funds (the "Company") for the purpose of marketing the Company in Hong Kong.

Warning: In relation to the Funds as set out in the Prospectus, only the following Funds are authorized by the Securities and Futures Commission of Hong Kong ("SFC") pursuant to section 104 of the Securities and Futures Ordinance and hence may be offered to the public of Hong Kong:

Morgan Stanley Investment Funds Asia Opportunity Fund
 Morgan Stanley Investment Funds Asian Property Fund
 Morgan Stanley Investment Funds Emerging Markets Debt Fund
 Morgan Stanley Investment Funds Emerging Markets Domestic Debt Fund
 Morgan Stanley Investment Funds Global Bond Fund
 Morgan Stanley Investment Funds Global Brands Fund
 Morgan Stanley Investment Funds Global Convertible Bond Fund
 Morgan Stanley Investment Funds Global Infrastructure Fund
 Morgan Stanley Investment Funds Global Opportunity Fund
 Morgan Stanley Investment Funds NextGen Emerging Markets Fund
 Morgan Stanley Investment Funds Sustainable Emerging Markets Equity Fund
 Morgan Stanley Investment Funds US Advantage Fund
 Morgan Stanley Investment Funds US Growth Fund
 Morgan Stanley Investment Funds US Property Fund

Please note that the Prospectus is a global offering document and therefore also contains information of the following Funds which are not authorized by the SFC:

Morgan Stanley Investment Funds American Resilience Fund
 Morgan Stanley Investment Funds Calvert Global Equity Fund
 Morgan Stanley Investment Funds Calvert Global High Yield Bond Fund
 Morgan Stanley Investment Funds Calvert Sustainable Climate Aligned Fund
 Morgan Stanley Investment Funds Calvert Sustainable Climate Transition Fund
 Morgan Stanley Investment Funds Calvert Sustainable Developed Europe Equity Select Fund
 Morgan Stanley Investment Funds Calvert Sustainable Developed Markets Equity Select Fund
 Morgan Stanley Investment Funds Calvert Sustainable Diversity, Equity and Inclusion Fund
 Morgan Stanley Investment Funds Calvert Sustainable Emerging Markets Equity Select Fund
 Morgan Stanley Investment Funds Calvert Sustainable Global Green Bond Fund
 Morgan Stanley Investment Funds Calvert Sustainable US Equity Select Fund
 Morgan Stanley Investment Funds Calvert US Equity Fund²⁰
 Morgan Stanley Investment Funds China A-shares Fund
 Morgan Stanley Investment Funds China Equity Fund
 Morgan Stanley Investment Funds Counterpoint Global Fund
 Morgan Stanley Investment Funds Developing Opportunity Fund
 Morgan Stanley Investment Funds Emerging Leaders Equity Fund
 Morgan Stanley Investment Funds Emerging Markets Corporate Debt Fund
 Morgan Stanley Investment Funds Emerging Markets Debt Opportunities Fund

Morgan Stanley Investment Funds Emerging Markets Fixed Income Opportunities Fund
 Morgan Stanley Investment Funds Emerging Markets Local Income Fund
 Morgan Stanley Investment Funds Euro Bond Fund
 Morgan Stanley Investment Funds Euro Corporate Bond Fund
 Morgan Stanley Investment Funds Euro Corporate Bond – Duration Hedged Fund
 Morgan Stanley Investment Funds Euro Strategic Bond Fund
 Morgan Stanley Investment Funds Europe Opportunity Fund
 Morgan Stanley Investment Funds European Fixed Income Opportunities Fund
 Morgan Stanley Investment Funds European High Yield Bond Fund
 Morgan Stanley Investment Funds European Property Fund
 Morgan Stanley Investment Funds Floating Rate ABS Fund
 Morgan Stanley investment Funds Global Asset Backed Securities Focused Fund²⁰
 Morgan Stanley Investment Funds Global Asset Backed Securities Fund
 Morgan Stanley Investment Funds Global Balanced Defensive Fund
 Morgan Stanley Investment Funds Global Balanced Fund
 Morgan Stanley Investment Funds Global Balanced Income Fund
 Morgan Stanley Investment Funds Global Balanced Risk Control Fund of Funds
 Morgan Stanley Investment Funds Global Balanced Sustainable Fund
 Morgan Stanley Investment Funds Global Brands Equity Income Fund
 Morgan Stanley Investment Funds Global Core Equity Fund
 Morgan Stanley Investment Funds Global Credit Fund
 Morgan Stanley Investment Funds Global Credit Opportunities Fund
 Morgan Stanley Investment Funds Global Endurance Fund
 Morgan Stanley Investment Funds Global Fixed Income Opportunities Fund
 Morgan Stanley Investment Funds Global Focus Property Fund
 Morgan Stanley Investment Funds Global High Yield Bond Fund
 Morgan Stanley Investment Funds Global Insight Fund
 Morgan Stanley Investment Funds Global Macro Fund
 Morgan Stanley Investment Funds Global Permanence Fund
 Morgan Stanley Investment Funds Global Property Fund
 Morgan Stanley Investment Funds Global Quality Fund
 Morgan Stanley Investment Funds Global Sustain Fund
 Morgan Stanley Investment Funds Indian Equity Fund
 Morgan Stanley Investment Funds International Resilience Fund
 Morgan Stanley Investment Funds Japanese Equity Fund
 Morgan Stanley Investment Funds Japanese Small Cap Equity Fund
 Morgan Stanley Investment Funds Parametric Commodity Fund²⁰
 Morgan Stanley Investment Funds Parametric Emerging Markets Fund²⁰
 Morgan Stanley Investment Funds Parametric Global Defensive Equity Fund²⁰
 Morgan Stanley Investment Funds Saudi Equity Fund
 Morgan Stanley Investment Funds Short Duration US Government Income Fund
 Morgan Stanley Investment Funds Short Maturity Euro Bond Fund
 Morgan Stanley Investment Funds Short Maturity Euro Corporate Bond Fund
 Morgan Stanley Investment Funds Sustainable Asia Equity Fund
 Morgan Stanley Investment Funds Sustainable Euro Corporate Bond Fund
 Morgan Stanley Investment Funds Sustainable Euro Strategic Bond Fund
 Morgan Stanley Investment Funds Systematic Liquid Alpha Fund²⁰
 Morgan Stanley Investment Funds Tailwinds Fund
 Morgan Stanley Investment Funds US Core Equity Fund
 Morgan Stanley Investment Funds US Dollar Corporate Bond Fund
 Morgan Stanley Investment Funds US Dollar Short Duration Bond Fund
 Morgan Stanley Investment Funds US Dollar Short Duration High Yield Bond Fund
 Morgan Stanley Investment Funds US Focus Property Fund
 Morgan Stanley Investment Funds US High Yield Bond Fund
 Morgan Stanley Investment Funds US High Yield Middle Market Bond Fund
 Morgan Stanley Investment Funds US Insight Fund
 Morgan Stanley Investment Funds US Permanence Fund
 Morgan Stanley Investment Funds US Value Fund
 Morgan Stanley Investment Funds Vitality Fund

No offer shall be made to the public of Hong Kong in respect of the above unauthorized Funds. The issue of the Prospectus was authorized by the SFC only in relation to the offer of the above SFC-authorized Funds to the public of Hong Kong.

²⁰ The Fund is not available for subscription at the date of this Prospectus. The Fund may be launched at the Directors' discretion, at which time, confirmation of the launch of the Fund will be made available at the registered office of the Company.

Intermediaries should take note of this restriction.

DERIVATIVES AND FINANCIAL TECHNIQUES AND INSTRUMENTS

The following Funds are not “derivative funds” and have the net derivative exposure (explained below) equal to 0% or up to 50% of the Fund’s net asset value:

Morgan Stanley Investment Funds Asia Opportunity Fund
Morgan Stanley Investment Funds Asian Property Fund
Morgan Stanley Investment Funds Emerging Markets Debt Fund
Morgan Stanley Investment Funds Emerging Markets Domestic Debt Fund
Morgan Stanley Investment Funds Global Bond Fund
Morgan Stanley Investment Funds Global Brands Fund
Morgan Stanley Investment Funds Global Convertible Bond Fund
Morgan Stanley Investment Funds Global Infrastructure Fund
Morgan Stanley Investment Funds Global Opportunity Fund
Morgan Stanley Investment Funds NextGen Emerging Markets Fund
Morgan Stanley Investment Funds Sustainable Emerging Markets Equity Fund
Morgan Stanley Investment Funds US Advantage Fund
Morgan Stanley Investment Funds US Growth Fund
Morgan Stanley Investment Funds US Property Fund

The net derivative exposure of the above Funds shall be calculated in accordance with the Code on Unit Trusts and Mutual Funds and the requirements and guidance issued by the SFC which may be updated from time to time. Pursuant to the Guide on the Use of Financial Derivative Instruments for Unit Trusts and Mutual Funds issued by the SFC on 17 December 2018, as amended (“Guide on the Use of FDI”), in calculating the net derivative exposure, derivatives acquired for investment purposes that would generate incremental leverage at the scheme portfolio level are converted into their equivalent positions in their underlying assets. The use of derivatives under the following circumstances may be excluded from the calculation of net derivative exposure:

- netting, hedging or risk mitigation;
- cash flow management;
- market access or exposure replication (without incremental leverage at the fund portfolio level); and
- investments in conventional convertible bonds.

For details on the calculation methodology for the net derivative exposure, please refer to the Guide on the Use of FDI.

Although the above Funds are not “derivative funds”, investors should refer to the section “Risk Factors” for special risk considerations applicable to derivatives as the above Funds may still use financial derivative instruments for up to 50% of the Fund’s net asset value.

Share class information of SFC authorized Funds:

The Hong Kong Offering Document of the Fund is authorized by the SFC on the condition that only the share classes of the Funds mentioned below which are specified as available to Hong Kong investors may be offered to the public in Hong Kong.

Fund	Share class	Currency	Hedge	Dividend Policy	Dividend paid out of capital
Asia Opportunity Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Semi annually, if any	No
	AX	USD	No	Semi annually, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Semi annually, if any	No
	CX	USD	No	Semi annually, if any	No
Asian Property Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Semi annually, if any	No
	AX	USD	No	Semi annually, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Semi annually, if any	No
	CX	USD	No	Semi annually, if any	No

Fund	Share class	Currency	Hedge	Dividend Policy	Dividend paid out of capital
Emerging Markets Debt Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHM	EUR	Yes	Monthly, if any	No
	AHR	EUR	Yes	Quarterly, if any	Yes
	AHX	EUR	Yes	Quarterly, if any	No
	ARM	USD	No	Monthly, if any	Yes
	AX	USD	No	Quarterly, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Quarterly, if any	No
	CX	USD	No	Quarterly, if any	No
	CRM	USD	No	Monthly, if any	Yes
	Emerging Markets Domestic Debt Fund	A	USD	No	None
AH		EUR	Yes	None	n/a
AHM		EUR	Yes	Monthly, if any	No
AHR		EUR	Yes	Quarterly, if any	Yes
AHX		EUR	Yes	Quarterly, if any	No
ARM		USD	No	Monthly, if any	Yes
AX		USD	No	Quarterly, if any	No
C		USD	No	None	n/a
CH		EUR	Yes	None	n/a
CHX		EUR	Yes	Quarterly, if any	No
CX		USD	No	Quarterly, if any	No
CRM		USD	No	Monthly, if any	Yes
Global Bond Fund		A	USD	No	None
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Quarterly, if any	No
	AX	USD	No	Quarterly, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Quarterly, if any	No
Global Brands Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Semi annually, if any	No
	AX	USD	No	Semi annually, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Semi annually, if any	No
Global Convertible Bond Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Quarterly, if any	No
	AX	USD	No	Quarterly, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Quarterly, if any	No
Global Infrastructure Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Semi annually, if any	No
	AX	USD	No	Semi annually, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Semi annually, if any	No
Global Opportunity Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Semi annually, if any	No
	AX	USD	No	Semi annually, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Semi annually, if any	No
CX	USD	No	Semi annually, if any	No	

Fund	Share class	Currency	Hedge	Dividend Policy	Dividend paid out of capital
NextGen Emerging Markets Fund	A	EUR	No	None	n/a
	AH	USD	Yes	None	n/a
	AHX	USD	Yes	Semi annually, if any	No
	AX	EUR	No	Semi annually, if any	No
	C	EUR	No	None	n/a
	CH	USD	Yes	None	n/a
	CHX	USD	Yes	Semi annually, if any	No
	CX	EUR	No	Semi annually, if any	No
Sustainable Emerging Markets Equity Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Semi annually, if any	No
	AX	USD	No	Semi annually, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Semi annually, if any	No
	CX	USD	No	Semi annually, if any	No
US Advantage Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Semi annually, if any	No
	AX	USD	No	Semi annually, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Semi annually, if any	No
	CX	USD	No	Semi annually, if any	No
US Growth Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Semi annually, if any	No
	AX	USD	No	Semi annually, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Semi annually, if any	No
	CX	USD	No	Semi annually, if any	No
US Property Fund	A	USD	No	None	n/a
	AH	EUR	Yes	None	n/a
	AHX	EUR	Yes	Semi annually, if any	No
	AX	USD	No	Semi annually, if any	No
	C	USD	No	None	n/a
	CH	EUR	Yes	None	n/a
	CHX	EUR	Yes	Semi annually, if any	No
	CX	USD	No	Semi annually, if any	No

Notwithstanding the incorporation into the Hong Kong offering documents of the Company of the availability of investment powers under the UCITS Directive, it is the intention of the Company to operate other Funds in accordance with the investment restrictions under the UCITS Directive. However, the Company will be subject to the new investment restrictions under the UCITS Directive to the extent they are more restrictive than the UCITS Directive restrictions. Investors may view a copy of the UCITS Directive upon request at the office of the Hong Kong Representative.

We will give you prior written notification of not less than 1 month and update the Hong Kong offering documents should we intend to change the investment objectives, investment policy and/or restrictions applicable to the Company in the future.

Where a Fund is involved in any repo or other over-the-counter derivative transactions, the counterparties for such transactions will be selected by the Investment Adviser in accordance with its best execution policy subject to such counterparties being eligible for

inclusion on the Investment Adviser's approved counterparty list (the "Approved List"). The counterparties on the Approved List are reviewed on a monthly basis to ensure compliance with criteria (including their credit rating) drawn up by the Investment Adviser's Global Risk and Analysis Group.

PAYMENT OF DIVIDENDS OUT OF CAPITAL AND CHARGING OF FEES AND EXPENSES TO THE CAPITAL

The Discretionary Distributing Share Class may pay distributions out of capital. Payment of dividends out of capital amounts to a return or withdrawal of part of a Shareholder's original investment or from any capital gains attributable to that original investment. Any distribution involving payment of dividends out of capital may result in an immediate decrease of the NAV per share.

The compositions of the dividends (*i.e.* the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months is available from the Hong Kong representative on request and also on www.morganstanleyinvestmentfunds.com.

We may amend the above dividend policy subject to SFC's prior approval and will give you no less than one month's prior notice.

The above website has not been reviewed by the SFC and may contain information of Funds not authorised by the SFC.

ADDITIONAL INFORMATION RELATING TO THE INVESTMENT OBJECTIVE OF FUNDS

For clarification purposes, if the objective of a Fund uses terms such as "primarily" and "principally" this will refer to a level equal to at least 70% of the value of the relevant Fund. Likewise, the term "ancillary" will refer to a level of 30% or less. Ancillary investment by the Equity Funds in debt claims (of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and, in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures) will be limited to 15% of the value of the relevant Fund, although the 30% ancillary limit will continue to apply to the total ancillary investments made by such Funds. The term "limited extent" will refer to a level equal to that of 10% or less of the value of the relevant Fund (net assets after deducting cash and cash equivalents) of each Fund. Individual Funds may impose

different levels and these will be outlined in the objectives for that Fund.

If such percentages are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights attaching to securities which form part of the assets of the Company, the Company shall take such steps as are necessary to ensure a restoration of compliance as soon as is reasonably practicable having regard to the interests of Shareholders.

ADDITIONAL INFORMATION RELATING TO CASH EQUIVALENTS HELD BY THE FUNDS

For clarification purposes, the Funds which are authorised by the SFC may hold Cash Equivalents up to 30% of their net assets for treasury purposes and/or up to 100% of their net assets in case of unfavourable market conditions. For the avoidance of doubt and in accordance with the investment objectives and strategies and the SFDR-related disclosures of the Funds which are authorised by the SFC, the disclosure in Section 1.2 of the Prospectus under the paragraph titled "General information relating to the Funds" with respect to the ability of the Funds to hold Cash Equivalents up to 100% of their net assets to achieve their investment goals does not apply to the Funds which are authorised by the SFC.

ADDITIONAL INFORMATION RELATING TO THE USE OF BENCHMARKS FOR THE FUNDS

Each Fund's performance is measured against a benchmark as detailed in the relevant Fund's products key facts statement. Please also see below the use of benchmark for each Fund:

Fund	Use of Benchmark
Asia Opportunity Fund	The Asia Opportunity Fund measures its performance against the MSCI All Country Asia ex-Japan Index.
Asian Property Fund	The Asian Property Fund measures its performance against the FTSE EPRA Nareit Developed Asia Real Estate Net Total Return Index.
Emerging Markets Debt Fund	The Emerging Markets Debt Fund measures its performance against the JP Morgan Emerging Market Bond Index Global Diversified.
Emerging Markets Domestic Debt Fund	The Emerging Markets Domestic Debt Fund measures its performance against the JP Morgan Government Bond Index – Emerging Markets Global Diversified.
Global Bond Fund	The Global Bond Fund measures its performance against the Bloomberg Global Aggregate Index. The Global Bond Fund is actively managed and is not designed to track such benchmark. Therefore, the management of the Global Bond Fund is not constrained by the composition of such benchmark.
Global Brands Fund	The Global Brands Fund measures its performance against the MSCI World Net Index.
Global Convertible Bond Fund	The Global Convertible Bond Fund will measure its performance against the Refinitiv Global Convertible Index Global Focus Hedged USD. The Global Convertible Bond Fund is actively managed and is not designed to track such benchmark. Therefore, the management of the Global Convertible Bond Fund is not constrained by the composition of such benchmark.
Global Infrastructure Fund	The Global Infrastructure Fund measures its performance against the Dow Jones Brookfield Global Infrastructure Index.

Fund	Use of Benchmark
Global Opportunity Fund	The Global Opportunity Fund measures its performance against the MSCI All Country World Index USD.
NextGen Emerging Markets Fund	The NextGen Emerging Markets Fund measures its performance against the MSCI Frontier Emerging Markets Index and seeks to achieve a lower carbon footprint than the MSCI Frontier Emerging Markets Index (based on available third party data).
Sustainable Emerging Markets Equity Fund	The Sustainable Emerging Markets Equity Fund measures its performance against the MSCI Emerging Markets Net Index.
US Advantage Fund	The US Advantage Fund measures its performance against the S&P 500 Index.
US Growth Fund	The US Growth Fund measures its performance against the Russell 1000 Growth Index.
US Property Fund	The US Property Fund measures its performance against the FTSE Nareit Equity REITs (Net) Index.

ADDITIONAL RISK DISCLOSURE

The Asian Property Fund, US Property Fund and Global Infrastructure Fund are not authorised by the SFC under the Code on Real Estate Investment Trusts, but are authorised under the Code on Unit Trusts and Mutual Funds. Such authorisation does not imply official approval or recommendation. Furthermore, please note that any underlying Real Estate Investment Trusts (“REITs”) of which the Asian Property Fund, US Property Fund and Global Infrastructure Fund invest in may not necessarily be authorised by the SFC and the dividend policy/payout policy of the Funds are not representative of the dividend policy/payout policy of the underlying REITs.

The information contained in the “Profile of the typical Investor” section is provided for reference only. Before making any investment decisions, investors should consider their own specific circumstances, including, without limitation, their own risk tolerance level, financial circumstances, investment objectives. If in doubt, investors should consult their stockbrokers, bank managers, solicitors, accountants, representative banks or other financial advisers.

ADDITIONAL INFORMATION

Risk consideration for fixed income risk

Funds which invest in Fixed Income Securities will be subject to interest rate and credit risk, and the additional risks associated with securities such as high-yield debt securities, asset backed securities or loans.

Fixed Income Securities are subject to the risk of an issuer’s ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). A Fund may invest in Fixed Income Securities which are interest rate sensitive. An increase in interest rates will generally reduce the value of Fixed Income Securities, while a decline in interest rates will generally increase the value of Fixed Income Securities. The performance of such Funds will therefore depend in part on the

ability to anticipate and respond to such fluctuations on market interest rates, and to utilise appropriate strategies to maximise returns, while attempting to minimise the associated risks to investment capital.

Risk consideration for equity and equity-related securities

The value of Funds which invest in equity and equity-related securities will be affected by economic, political, market, and issuer specific changes. Such changes may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Funds’ values are often exacerbated in the short term as well. The risk that one or more companies in the Funds’ portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

Risk consideration for closed-ended funds

Investors should note that certain Funds may make ancillary investments in shares of closed-ended funds. Such shares may be subject to liquidity risk as they may not be redeemed at their net asset value and their value and the ability to trade in them will depend on market demand. Such closed-ended funds may also have a geographic or sector bias.

Risk consideration for Funds that may invest in OTC Derivatives

Certain Funds may, provided it is in accordance with their investment objective, invest in OTC derivatives including Forward FX, Government Bond Forwards, Interest Rate Swaps, Credit Default Swaps, FX Options, Swaptions, Contracts for Differences and Total Return Swaps. Investors should refer to the risk factor headed “Risks associated with OTC Derivatives” for the specific risk considerations.

Risk consideration for Funds that may invest in structured products

Certain Funds may, provided it is in accordance with their investment objective, invest in eligible structured products, such as commodity-linked notes. Eligible structured products are financial instruments which are linked to the performance of other assets or

which are backed by other assets and which are eligible investments for a UCITS fund in accordance with Directive EC 2007/16. The performance of such financial instruments may accordingly fluctuate according to the performance of the underlying asset. Certain eligible structured products may achieve exposure to such underlying assets via derivatives. For risks applicable to derivatives, investors should refer to the risk factor headed “Use of Derivatives”. In the event that an issuer of an eligible structured product forming part of the investment portfolio of a Fund defaults, the Fund may suffer a loss on such eligible structured product equal to the entire value of such eligible structured product. Such loss would adversely affect the value of the Fund.

Risk consideration for Funds that may invest in debt instruments with loss-absorption features

Certain Funds may invest in debt instruments with loss-absorption features, which are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of trigger events (e.g. when the issuer is near or at the point of non-viability or when the issuer’s capital ratio falls to a specified level), which are likely to be outside of the issuer’s control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.

In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

Certain Funds may invest in contingent convertible debt securities, which are highly complex and are of high risk. Upon the occurrence of the trigger event, contingent convertible debt securities may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on contingent convertible debt securities are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

Risk consideration for Funds that adopt an ESG-focused approach to investing

Certain Funds may adopt an ESG-focused investment policy and hence are subject to the following risks:

- *Concentration risk:* Certain Funds may incorporate a set of ESG criteria, which may cause them to be overweight and/or underweight in certain sectors and thus to perform differently than funds that have a similar objective but which do not incorporate sustainability investment criteria when selecting securities.
- *Lack of standardised taxonomy:* There is a lack of standardised taxonomy of the ESG criteria evaluation methodology and the

way in which different funds apply a set of ESG criteria may vary.

- *Exclusion risk:* The use of exclusions may affect the Funds’ investment performance and, as such, the Funds may perform differently compared to similar funds that do not use such exclusions. Exclusion criteria used in the Funds’ investment strategies may result in the Funds foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling certain securities when it might be disadvantageous to do so. As such, the use of exclusions may restrict the ability of the Funds to acquire or dispose of their investments at a price and time that they wish to do so, and may therefore result in a loss to the Funds.
- *Reliance on third-party data:* There may be instances where data on specific issuers or the exclusions noted in the investment policy may not be available and/or may be estimated by the Investment Adviser using third-party data, which may be incomplete, inaccurate or unavailable. As a result, there is a risk associated with the assessment of a security or issuer based on such data.

Compulsory Redemption

The Company and/or the Management Company may, at its discretion, provided that it gives investors no less than one month’s prior notice, redeem all but not less than all of the Shares of the certain Classes of Shares then outstanding under certain conditions and in the manner as specified in the paragraph headed “Compulsory Redemption” of the Prospectus and the relevant Funds may be subject to early termination. It is possible that, at the time of such termination, investors have to realise their investment loss and will not be able to receive an amount equal to their capital originally invested.

Repurchase Agreements/Securities Lending Transactions

The Management Company may hypothecate, mortgage, charge or pledge a Fund’s investments whether outright or as collateral security for any debt liability or obligation for the purpose of entering into repurchase agreements and securities lending transactions and for posting collateral in support of derivatives transactions. Investors should be aware that there is a risk that the relevant counterparty of such derivative transactions may default and the collateral placed with such counterparty may not be recoverable.

Total Return Swaps

None of the Funds have as their core strategy to achieve their investment objective through the entering into one or several single total return swaps or similar financial derivative instruments. Please refer to the paragraph headed “Investment Objectives and Policies” under Section 1.2 of the Prospectus for additional related information in this respect.

TRANSACTION WITH CONNECTED PERSONS

The Management Company must ensure that any transactions carried out on behalf of the Funds with brokers or dealers connected to the Management Company, the investment manager or the Investment Adviser, the Directors, the Depository or any of their connected persons will be conducted on arm's length terms, the transaction execution is consistent with applicable best execution standards, and the fee or commission paid to any such broker or dealer in respect of a transaction is not greater than that which is payable at the prevailing market rate for a transaction of that size and nature.

The Management Company must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances and monitor such transactions to ensure compliance with its obligations. The nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the Company's annual report.

If cash forming part of the Funds' assets is deposited with the Depository or any of its connected persons (being an institution licensed to accept deposits), such cash deposit shall be maintained in a manner that is in the best interests of the investors, having regard to the prevailing commercial rate for a deposit of similar type, size and term negotiated at arm's length in accordance with ordinary and normal course of business.

Additional Information regarding Global Bond Fund

The Fund may use derivatives, including exchange traded and over-the-counter options, futures and other derivatives, for investment purposes. Derivatives may be used to manage interest rate, yield-curve and yield spread risk. The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

The Fund may invest in debt instruments with loss-absorption features, e.g. contingent convertible debt securities. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events. The Fund's expected total maximum investments in such debt instruments will be no more than 20% of its net asset value.

Additional Information regarding Global Convertible Bond Fund

The Fund may use derivatives, including exchange traded and over-the-counter options, futures and other derivatives, for investment purposes. Derivatives may be used to manage interest rate, yield-curve and yield spread risk. The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

The Fund may invest in debt instruments with loss-absorption features, e.g. contingent convertible debt securities. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The Fund's expected total maximum investments in such debt instruments will be no more than 20% of its net asset value.

Additional Information regarding Emerging Markets Debt Fund

The Fund may use derivatives, including exchange traded and over-the-counter options, futures and other derivatives, for investment purposes. Derivatives may be used to manage interest rate, yield-curve and yield spread risk. The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

The Fund may invest in debt instruments with loss-absorption features, e.g. contingent convertible debt securities. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events. The Fund's expected total maximum investments in such debt instruments will be no more than 20% of its net asset value.

Additional Information regarding Emerging Markets Domestic Debt Fund

The Fund may use derivatives, including exchange traded and over-the-counter exchange traded futures, currency forwards and futures, government bond forwards, interest rate swaps, bond options, currency options, options on swaps, credit default swaps and credit linked notes, for investment purposes. Derivatives may be used to manage interest rate, yield-curve and yield spread risk. The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

The Fund may invest in debt instruments with loss-absorption features, e.g. contingent convertible debt securities. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events. The Fund's expected total maximum investments in such debt instruments will be no more than 20% of its net asset value.

Additional Information regarding Asia Opportunity Fund

The Fund may invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, including equity securities of issuers located outside of Asia, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments.

The Investment Adviser does not make any country or market allocations in the stock selection process. The exposure to a particular country or market is only a result of the bottom-up stock selection process, and such exposure may change subject to the performance of individual companies, which will in turn be affected by market conditions. On this basis, the Fund may from time to time invest more than 30% of its value in China A-Shares via Stock Connect but the Fund is not constrained by any country or market allocations.

Additional Information regarding NextGen Emerging Markets Fund

The ESG focus of the Fund is to integrate ESG criteria considered by the Investment Adviser during both the investment and research process to select investments which limit exposure to Sustainability Risks.

AIM OF THE ADDITIONAL INFORMATION FOR HONG KONG INVESTORS

The aim of this Additional Information for Hong Kong Investors is to set out all the information relating to the Company and the Funds for which the Company acts as an umbrella fund, which is particular to the offering of the Funds to investors in Hong Kong.

THE HONG KONG REPRESENTATIVE

Under an agreement dated 1 March 2012 (the “Hong Kong Representative Agreement”), Morgan Stanley Asia Limited, level 46, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, has been appointed as the Hong Kong Representative of the Company and the Funds.

The Hong Kong Representative Agreement provides that it is to remain in force for an unlimited period and may be terminated at any time by either party to the agreement giving 30 days prior notice to the other party. This agreement will also be terminated if Morgan Stanley Investment Management Limited. (the “Investment Adviser”) notifies Morgan Stanley Asia Limited that the Company is no longer authorised under the Securities and Futures Ordinance of Hong Kong (Cap. 571), and it will be automatically terminated upon the termination of the agreement between the Company and the Investment Adviser dated 1 March 2012 (the “Investment Advisory Agreement”).

Under the Hong Kong Representative Agreement, Morgan Stanley Asia Limited is appointed as a Representative of the Company and the Funds in Hong Kong, and agrees to carry out the duties of a Representative as outlined in the Code on Unit Trusts and Mutual Funds.

Morgan Stanley Asia Limited is authorised to represent the Company and the Investment Adviser in all matters relating to the sale of shares in the Company (the “Shares”) in Hong Kong and/or all matters in which shareholders of the Company who are normally resident in Hong Kong have a pecuniary interest. Morgan Stanley Asia Limited shall, unless otherwise provided or authorised, have no authority to act for, represent or purport to bind the Company and the Investment Adviser in any way or otherwise be deemed to be an agent of the Company and the Investment Adviser.

Morgan Stanley Asia Limited is a wholly owned subsidiary of Morgan Stanley, and was incorporated on 9th March 1984 under the laws of Hong Kong. Morgan Stanley Asia Limited’s board of directors as of the date of this document is composed of Niall John

Almeida, Brian Gerard D’Rozario, Gokul Laroia, Harish Rajaram, George Alexander Taylor, Dieter Gary Turowski, James Jonathan Benjamin Walker and Shane Xin Zhang. The functions of the Hong Kong Representative also include, inter alia, dealing with all enquiries and complaints in relation to the Company and/or the Funds.

AVAILABLE DOCUMENTS

The audited reports in respect of the preceding financial year of the Company and the unaudited semi-annual reports, in English, are available to Hong Kong investors within 4 months and 2 months of the end of the Company’s financial year respectively on the Company’s website (www.morganstanleyinvestmentfunds.com), as required by the SFC and, in addition, are made available at the registered office of Morgan Stanley Asia Limited.

Copies of the following documents may also be inspected free of charge during usual business hours on any weekday (Saturday and public holidays excepted) at the registered office of Morgan Stanley Asia Limited:

- a) the Articles of Incorporation of the Company;
- b) the Articles of Incorporation of the Management Company;
- c) the Articles of Incorporation of the Investment Adviser;
- d) the material contracts referred to in the Prospectus;
- e) the Hong Kong Representative Agreement;
- f) a list of the Funds advised by each Sub-Adviser; and
- g) the risk management policy of the Management Company.

Details of the sub-advisers of the Company are available in the Prospectus.

Copies of the constitutional documents of the Company can be obtained from Morgan Stanley Asia Limited free of charge.

INVESTMENT SUB-ADVISERS

Please refer to the Annex to this Prospectus for a list of Sub-Advisers for the Funds that are authorized by the SFC.

PUBLICATION OF INFORMATION

For a Fund or a class of Shares being held by investors of Hong Kong, the Net Asset Value per Share together with that day’s dividend declaration is calculated and published daily free of charge on www.morganstanleyinvestmentfunds.com. The currencies in which the Net Asset Value per Share is used in each Fund are listed in the table under section 2.7 Net Asset Value Determination of the Prospectus. If the calculation of the Net Asset Value of one or more classes of Shares is suspended, notice of such suspension will be published the day following such decision to suspend is taken, and at least once a month during the period of suspension, on www.morganstanleyinvestmentfunds.com.

Notification may, however, be effected by other means if permitted by the SFC.

The website www.morganstanleyinvestmentfunds.com mentioned in the Prospectus has not been authorised by the SFC and may contain information on Funds which are not authorised by the SFC for sale to the public in Hong Kong and not available for Hong Kong retail investors.

HONG KONG INTERMEDIARY

No money should be paid in relation to the Company or any of the Funds, to any intermediary who is not licensed or registered to carry on Type 1 regulated activity under Part V of the Securities and Futures Ordinance.

TAXATION

For so long as the Company maintains its authorisation with the SFC under the Securities and Futures Ordinance, the Company is not liable to pay tax on profits arising in or derived from Hong Kong.

Shareholders resident in Hong Kong will not be subject to any Hong Kong tax on distributions from any of the Funds or on capital gains realised on the redemption of any Shares in the Company unless the acquisition and realisation of Shares in the Company is or forms part of a trade, profession or business carried on in Hong Kong and the capital gains arise in or are derived from Hong Kong. Shares will not attract Hong Kong estate duty and Hong Kong stamp duty will not be payable on the issue, redemption or transfer of Shares.

The above information relating to taxation is based on the enacted laws and current practice of Hong Kong. It is not comprehensive and is subject to change. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provision of the laws of the jurisdiction in which they are subject to tax.

FOREIGN ACCOUNT TAX COMPLIANCE ("FATCA")

The Foreign Account Tax Compliance provisions of the 2010 Hiring Incentives to Restore Employment Act ("HIRE Act") generally impose a new reporting and 30% withholding tax regime with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends. As a general matter, the new rules are designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the Internal Revenue Service ("IRS"). The 30% withholding tax regime applies if there is a failure to provide required information regarding U.S. ownership.

On 28 March 2014, Luxembourg signed a Model 1 Intergovernmental Agreement with the U.S. ("Luxembourg IGA") that was transposed in national law by the Luxembourg law dated

24 June 2015 (the "FATCA Law"), as amended by the Law of 18 June 2020. Under the terms of FATCA, the Company will be treated as a Foreign Financial Institution. As such, the Company may require all investors to provide documentary evidence of their tax residence and all other information, including personal data, deemed necessary to comply with the above mentioned regulations (the "FATCA Information"). The application of the recently enacted U.S. withholding tax and reporting regime is unclear and could be subject to further clarification from the U.S. Treasury Department, the IRS and/or the Luxembourg tax authorities. Accordingly the Company will reassess its position in relation thereto from time to time. The Management Company has registered with the IRS as a Sponsoring Entity on behalf of the Company (a Sponsored Entity) and the Global Intermediary Identifier Number (GIIN) of the Management Company is UV0DRW.00000.SP.826.

Therefore and despite anything else herein contained and as far as permitted by Luxembourg law, the Company shall have the right to:

- require any Shareholder or beneficial owner of the Shares to promptly furnish the FATCA Information as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- divulge any element of the FATCA Information to any tax authority, as may be required by law or such authority;
- withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Company (subject to applicable laws and regulations and provided that the Company acts in good faith and on reasonable grounds); and
- withhold the payment of any dividend or redemption proceeds to a Shareholder until the Company holds sufficient information to enable it to determine the correct amount to be withheld (subject to applicable laws and regulations and provided that the Company acts in good faith and on reasonable grounds).

Investors who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime. Investors should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

Any Shareholder that fails to comply with the Company's documentation requests may be charged with any taxes imposed on the Company attributable to such Shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder. When exercising this discretion the Company will act in accordance with applicable laws and regulations, in good faith and on reasonable grounds.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the investor may suffer material losses.

Please refer to the paragraph headed “Foreign Account Tax Compliance” in Section 1.5 “Risk Factors” for additional information in this respect.

INFORMATION ABOUT THE INVESTMENT ADVISER’S USE OF DEALING COMMISSIONS AND ACCEPTANCE OF NON-MONETARY BENEFITS FROM BROKERS

The Investment Adviser’s use of dealing commissions and non-monetary benefits

The Investment Adviser will from time to time execute or place orders with selected brokers in relation to financial instruments that form part, or may become part, of one or more investment portfolios managed by the Investment Adviser for the Company (each so executed or placed order a “Transaction”).

Although the Investment Adviser’s investment decisions and the corresponding Transactions are primarily based upon fundamental analysis and a variety of primary and secondary information sources, external research and market intelligence from analysts employed or appointed by the brokers the Investment Adviser may engage to effect Transactions is valuable in helping to make informed investment decisions and in those circumstances, will enhance the quality of the portfolio management service provided by the Investment Adviser to its clients. The available research covers sectors and markets in detail and may generate and stimulate new ideas and discussions. Some research services will be produced for all clients of the relevant broker, but the analysts may also provide research that has been tailored to the Investment Adviser’s specific request, including the ability to discuss corporate developments in the immediate aftermath of their announcement (together “Research Services”).

The Investment Advisers, when effecting Transactions, may make payments on behalf of the Company to certain providers of Research Services and may receive certain non-monetary benefits from certain brokers in the course of its dealings with such brokers as follows.

The conditions upon which dealing commissions will be paid to providers of Research Services

The Investment Adviser will only make payments to a broker in consideration of the provision of Research Services when it is satisfied using its reasonable judgement that the Research Services received in return for the payments will reasonably assist the Investment Adviser in the provision of its portfolio management services to the Company and do not, and are not likely to, impair

compliance with the duty of the Investment Adviser to act in the best interests of the Company (including, without limitation, its obligation to take all reasonable steps to obtain the best possible result when effecting a Transaction).

The manner in which dealing commissions are paid to providers of Research Services

If the conditions for payment have been satisfied, the eligible providers of Research Services may be remunerated for the provision of Research Services as part of the Investment Adviser’s commission sharing arrangements. Under the commission sharing arrangements, the Investment Adviser will instruct participating brokers to record a certain portion of dealing commission that is received pursuant to the completion of a Transaction, based upon a previously agreed allocation, as research credits (each a “Pool”). Each of the participating brokers has undertaken to the Investment Adviser, periodically, subject to an instruction from the Investment Adviser, to make payments from their Pool to providers of Research Services (including the administering broker itself) as the Investment Adviser may specify in the instruction(s). Any balance that may remain after allocation instructions have been carried out will be carried forward to the next period.

The Investment Adviser allocates the Pools based on a periodic assessment of the quality of the Research Services provided to the Investment Adviser by the participating brokers during that period. The Investment Adviser tends to consider, without limitation, the quality of the analyst service, the sales service, and the company meetings that have been arranged with senior management of companies in which the Investment Adviser invests for its clients. Decisions are then taken based on a voting system in which the Investment Adviser equity portfolio managers participate. As part of a relationship management effort, the Investment Adviser will meet periodically with those providers of Research Services that the Investment Adviser deems most significant.

The conditions upon which the Investment Adviser employees may accept non-monetary benefits from brokers

The Investment Adviser’s employees that interact with brokers may from time to time receive certain non-monetary benefits in the form of gifts. The Investment Adviser has detailed compliance procedures relating to the standard of conduct expected from employees in these circumstances which are designed to achieve that receipt of such gifts does not, and is not likely to, impair compliance with the duty of the Investment Adviser and its employees to act in the best interests of its clients. Most gifts are received during the holiday season and depending on the number received gifts are either put into a raffle or allocated between employees. Employees are allowed to accept invitations to attend sporting, artistic or entertainment events from suppliers and counterparties in accordance with guidelines and limits that are detailed in the policy. The Investment Adviser does not permit its employees to receive cash payments from brokers.

The Investment Adviser or any of its connected persons will not retain cash or other rebates from brokers or dealers in consideration of directing transactions for a Fund to such brokers or dealers, save that goods and services (soft dollars) as described in the paragraph below may be retained. For the avoidance of doubt, the Management Company does not currently receive any soft dollars.

The Investment Adviser and/or any of its connected persons reserves the right to effect transactions by or through a broker or dealer with whom the Investment Adviser and/or any of its connected persons has an arrangement under which that broker or dealer will from time to time provide to or procure for the Investment Adviser and/or any of its connected persons goods or services for which no direct payment is made but instead the Investment Adviser and/or any of its connected persons undertakes to place business with that broker or dealer. The Investment Adviser shall procure that no such arrangements are entered into unless:

- the goods and services to be provided are of demonstrable benefit to the investors whether by assisting the Management Company, the investment manager or the Investment Adviser in their ability to manage the relevant Fund or otherwise;
- the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates;
- periodic disclosure is made in the annual report of the Company or the relevant Fund in the form of a statement describing the soft dollar policies and practices of the Investment Adviser, including a description of goods and services received by the Investment Adviser; and
- the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

The Management Company and the Investment Adviser shall ensure that the above requirements are complied with for managing conflicts of interests.

RISK MANAGEMENT PROCEDURES

As a result of adopting the wider powers under UCITS IV, Hong Kong shareholders should in particular note that the Management Company and the Funds may invest in a wider scope of transferable securities as defined under UCITS IV. In this regard particular attention should be made of the sections in the Prospectus headed “Risk factors” and “Appendix A – Investment Powers and Restrictions”.

The Management Company ultimately retains responsibility for the oversight of the risk management process. The Management Company also ultimately retains responsibility for the use of new asset classes and derivatives whether they are utilised for new or existing Funds. The prior approval of the Management Company

is required for the launch of new Funds, any material changes to existing Funds’ investment objectives and any material changes to the risk management process.

The Investment Adviser and Sub-Advisers are issued with investment guidelines and are responsible for ensuring that the relevant Fund is invested in accordance with the investment guidelines. The investment guidelines include information as to the permitted use of derivatives for that Fund.

The Management Company’s risk management infrastructure provides the Management Company with quantitative information that monitors and measures risk exposures from the aggregate level down to the security level of the Company’s portfolio. It assists in measuring and evaluating the following risk dimensions:

- counterparty/credit risk;
- market risk;
- interest rate risk;
- spread risk;
- currency/FX risk;
- volatility risk;
- settlement risk;
- liquidity risk;
- legal and documentation risk.

Risk monitoring is in place for each of the Funds. Risk monitoring is tailored to each Fund’s investment strategy, including that Fund’s derivatives usage.

The risk management infrastructure must (i) be commensurate with the nature and risks of the transactions and investment activities (including those related to financial derivative instruments) that are undertaken for the Funds, bearing in mind the retail nature and risk profile of the Funds, and (ii) be able to deal with normal and exceptional circumstances including extreme market conditions. The Management Company must:

- maintain at all times effective risk management and control systems;
- at all times be adequately and suitably resourced (including having sufficient human resources) in order to properly implement its risk management policy and procedures; and
- comply with all applicable legal and regulatory requirements concerning the risk management of the Company.

Some Funds are authorised to use derivatives and financial techniques and instruments as an important part of their investment strategies as described in the Funds’ investment objectives. For the

purpose of the UCITS IV Directive and regulation following therefrom (the “UCITS IV Regulations”) as applicable to the Company, these Funds are classified according to the methodology adopted by the Management Company in order to calculate the global risk exposure of each Fund.

The Management Company has implemented a risk management process in relation to each Fund in order to comply with its obligations in particular under the 2010 Law on undertakings for collective investment, CSSF Regulation 10-4 (as amended) on UCITS IV requirements and CSSF Circular 11/512 (as amended) on the main regulatory changes in risk management.

The selection of the appropriate methodology for calculating global exposure is made by the Management Company based upon a consideration of the following factors:

- i. whether the Fund engages in complex investment strategies which represent a significant part of the Fund’s investment policy;
- ii. whether the Fund has a significant exposure to exotic derivatives; and/or
- iii. whether the commitment approach adequately captures the market risk of the Fund’s portfolio.

The selection of relative VaR or absolute VaR will depend on whether the Fund has a leverage free benchmark which reflects its investment strategy. The benchmarks adopted by the Company’s Funds are standard, widely-used industry indices.

Classification of a Fund will depend on a consideration of each of these factors and the fact that a Fund is authorised to use derivative instruments for investment purposes will not automatically, in isolation, mean that the global exposure will be calculated using the VaR.

Depending on the derivatives that are held for hedging or efficient portfolio management purposes, consideration is given to making provision/fair value adjustments arising from, for example, large-size positions which may prove difficult to unwind at other than below-market prices.

LIQUIDITY RISK MANAGEMENT

The Management Company’s risk management infrastructure and policies enable it to identify, monitor, manage and mitigate the liquidity risks of a Fund and to facilitate a Fund’s ability to support redemptions. Such infrastructure, policies and the liquidity management tools of the Management Company also seek to achieve fair treatment of Shareholders and safeguard the interests of remaining Shareholders in case of sizable redemptions. As part of the liquidity risk management framework, the Management Company performs liquidity stress testing to assess any mismatch between the portfolio liquidity and the liquidity offered to investors as per the redemption terms in multiple liquidation scenarios.

The Management Company’s liquidity risk management policy takes into account the investment strategy and objective, investor base, the underlying assets’ liquidity (and whether they are priced at fair value), underlying obligations, redemption policy and the nature of each Fund.

The Manager may employ one or more tools to manage liquidity risks including, but not limited to:

- the Management Company may adjust the Net Asset Value of a Fund (Swing Pricing) to reduce the effect of “dilution” and to reflect the estimated dealing spreads, costs and charges to be incurred by the Fund in liquidating or purchasing investments to satisfy the net transactions received in respect of a particular Dealing Day, as outlined in the section in the Prospectus headed “Anti-Dilution Measures”;
- where shareholders engage in activities which may adversely affect the interests of Shareholders, such as market timing, the Management Company may suspend, cancel, reject or otherwise deal with the relevant Shareholder’s application and take any action or measures as appropriate or necessary to protect the Company and its Shareholders, as outlined in the section in the Prospectus headed “Procedure for Redemption”;
- where the Management Company, in its discretion, determines that the shareholder has engaged in trading practices which adversely affect the interests of the Company’s shareholders or where it is otherwise appropriate to protect the interest of the Company, the Management Company may apply a redemption fee of up to 2% of an individual redemption, retained for the benefit of continuing Shareholders of the relevant Fund, as outlined in the section in the Prospectus headed “Procedure for Redemption”;
- the Directors may delay payment for up to ten Business Days from the relevant Dealing Day if market conditions are unfavourable where it considers such action to be in the best interests of the remaining Shareholders, as outlined in the section in the Prospectus headed “Procedure for Redemption”;
- the Company may scale down pro rata each redemption or conversion application on one Dealing Day (with any subsequent applications postponed until the satisfaction of first-mentioned applications) if any application for redemption or conversion received in respect of such Dealing Day which either singly or when aggregated with other applications so received is more than 10% of the Net Asset Value of any one Fund, as outlined in the section in the Prospectus headed “Procedures for Redemptions and Conversions Representing Ten Percent or More of any Fund”;
- the Management Company may ask Shareholder to accept payment in whole or in part by an in-kind distribution of securities in lieu of cash if any application for redemption or conversion received in respect of any one Dealing Day which

either singly or when aggregated with other applications so received is more than 10% of the Net Asset Value of any one Fund, as outlined in the section in the Prospectus headed “Procedures for Redemptions and Conversions Representing Ten Percent or More of any Fund”; and/or

- the Company may declare a suspension of the determination of the Net Asset Value of the Fund and/or the redemption of Shares, as outlined in the section in the Prospectus headed “Temporary suspension of calculation of Net Asset Value”.

GENERAL INFORMATION

The price of Shares and the income from them (where income is distributed) may go down as well as up.

The Investment Adviser and the Company accept full responsibility for the accuracy of the information contained in the Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading. However the Company does not accept responsibility with regard to the content of the Prospectus or any information relating to the Shares other than to the shareholders of the Company.

SFC authorisation is not a recommendation or endorsement of a Fund nor does it guarantee the commercial merits of a Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The key investor information document is not authorized by the SFC as part of the offering document of the Funds and will not be available for distribution in Hong Kong.

The English and Chinese versions of the Prospectus shall have equal legal effect.

The website www.morganstanleyinvestmentfunds.com mentioned in the Prospectus has not been reviewed or authorised by the SFC and may contain information which is not targeted to Hong Kong residents.

The current Prospectus offers for subscription a range of Funds, which are described in the Prospectus. The assets of each Fund shall remain separate from those of the other Funds thus maintaining a different portfolio of investments for each Fund.

Within each Fund the Management Company may offer two Classes of Shares, A and C, each of which has a different fee structure, but participates in the same pool of assets within a given Fund. Please refer to Section 2.1 of the Prospectus for further details on the various classes of Shares. Please refer to the table under “Share class information of SFC authorized Funds” in Appendix C of the Prospectus for details of the distributing and currency-hedged Share Classes currently available to Hong Kong investors.

The Company may decide to create additional Funds having different objectives and policies, in which case, the Prospectus will be updated accordingly.

The investment objectives and policies, together with the investment powers and restrictions are detailed in the Prospectus as are the mechanisms for the calculation of net asset value and the identity and roles of the various advisors to the Company and the Funds. The Prospectus also covers how Shares are issued, subscribed for, converted and redeemed and other information about the Company and the workings of the various Funds. For the avoidance of doubt, the requirements that subscription and conversion requests “will be accepted upon verification by the Management Company that the relevant investors have received a key investor information document” do not apply to Hong Kong investors.

The Funds have entered into securities lending contracts with the Depositary to participate in the securities lending programmes operated by the Depositary, each of which is under normal commercial terms. Under one such securities lending programme, Morgan Stanley & Co. International PLC is named as an approved borrower to which the Depositary could lend securities on behalf of the Funds. Under the terms relating to the relevant securities lending arrangement and for services provided, the Depositary retains 20% on the first US\$ 5 million of gross revenue generated from securities lending transactions and 15% thereafter as an administrative charge. The Funds retain 80% on the first US\$ 5 million of gross revenue generated from securities lending transactions and 85% thereafter.

The SFC may require one month’s (or such other period to be determined on a case-by-case basis) written notice of an amalgamation to be given to Shareholders of the Fund to be amalgamated. Shareholders are entitled to request the redemption or conversion of their Shares free of charge during the notice period.

The SFC may require one month’s (or such other period to be determined on a case-by-case basis) notice of any increase in the Investment Advisory fee from the current level stated in the Prospectus to be provided to investors.

Contract notes will be provided to the shareholder, where required, no later than two business days after the day of acceptance of the application or redemption of shares by the Transfer Agent on behalf of the Management Company.

Formation expenses of a new Fund are paid by the Management Company.

As required by the SFC, no expenses relating to advertising or promotional activities are charged to the Funds.

If you are in any doubt about the contents of the Prospectus, as supplemented by this Annex, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Morgan Stanley Investment Management Limited acts as the Investment Adviser to the Funds. Where the Investment Adviser has delegated any of its responsibilities, the Funds are advised by the following Sub-Advisers.

Fund Name	Sub-Adviser
Equity Funds	
Morgan Stanley Investment Funds Asia Opportunity Fund	Morgan Stanley Asia Limited, Morgan Stanley Investment Management Company & Morgan Stanley Investment Management Inc.
Morgan Stanley Investment Funds Asian Property Fund	Morgan Stanley Investment Management Company & Morgan Stanley Investment Management Inc.
Morgan Stanley Investment Funds Global Brands Fund	None
Morgan Stanley Investment Funds Global Infrastructure Fund	Morgan Stanley Investment Management Inc.
Morgan Stanley Investment Funds Global Opportunity Fund	Morgan Stanley Asia Limited, Morgan Stanley Investment Management Company & Morgan Stanley Investment Management Inc.
Morgan Stanley Investment Funds NextGen Emerging Markets Fund	Morgan Stanley Investment Management Inc.
Morgan Stanley Investment Funds Sustainable Emerging Markets Equity Fund	Morgan Stanley Investment Management Inc. & Morgan Stanley Investment Management Company
Morgan Stanley Investment Funds US Advantage Fund	Morgan Stanley Investment Management Inc.
Morgan Stanley Investment Funds US Growth Fund	Morgan Stanley Investment Management Inc.
Morgan Stanley Investment Funds US Property Fund	Morgan Stanley Investment Management Inc.
Bond Funds	
Morgan Stanley Investment Funds Emerging Markets Debt Fund	Morgan Stanley Investment Management Inc.
Morgan Stanley Investment Funds Emerging Markets Domestic Debt Fund	Morgan Stanley Investment Management Inc.
Morgan Stanley Investment Funds Global Bond Fund	Morgan Stanley Investment Management Inc.
Morgan Stanley Investment Funds Global Convertible Bond Fund	Morgan Stanley Investment Management Inc.

Appendix D

Data Protection Notification

- a) In accordance with the data protection law applicable to the Grand-Duchy of Luxembourg including the Law of 2 August 2002 on the protection of persons with regard to the processing of personal data (as may be amended from time to time), the General Data Protection Regulation (EU/2016/679) and all applicable laws (together, the “Data Protection Laws”), the Company, acting as “data controller” within the meaning of the Data Protection Laws, hereby informs prospective investors and holders of shares in the Company (together, “Shareholders”, and each a “Shareholder”) that personal data provided by each Shareholder to the Company (“Personal Data”, as defined in paragraph (b), below) may be collected, recorded, stored, adapted, transferred or otherwise processed, by electronic means or otherwise, for the following purposes (each a “Processing Purpose”):
- 1) to enable and process the subscription and redemption of Shares in the Company by investors, including (without limitation) the facilitation and processing of payments by and to the Company (including the payment of subscription monies and redemption proceeds, the payment of fees by and to Shareholders and the payment of distributions on Shares), and generally to enable and give effect to the participation of investors in the Company;
 - 2) to enable an account to be maintained of all payments referenced in sub-paragraph (1), above;
 - 3) to enable the maintaining of a register of Shareholders in accordance with applicable laws;
 - 4) to carry out or to facilitate the carrying out with respect to Shareholders of credit, money laundering, due diligence and conflict checks, for the purposes of fraud, money-laundering, financial crime prevention and tax identification laws (including FATCA and CRS and applicable anti-money laundering laws), and generally to enable the Company to comply with its legal obligations arising in connection therewith;
 - 5) to enable the Company to perform controls in respect of late trading and market timing practices;
 - 6) to facilitate the provision to the Company of services by the service providers referenced in this Prospectus, including (without limitation) the authorisation or confirmation of billing transactions and payments by and to the Company;
 - 7) to facilitate the operational support and development necessary to the Company’s investment objectives and strategies with respect to its Sub-Funds, including (without limitation) the Company’s risk management processes, and the evaluation of services provided to the Company by third-party service providers;
 - 8) in relation to any litigation, disputes or contentious matter in which the Company is involved;
 - 9) to comply with legal and regulatory obligations, (including any legal or regulatory guidance, codes or opinions), applicable to the Company anywhere in the world;
 - 10) to comply with legal and regulatory requests made to the Company anywhere in the world;
 - 11) to facilitate reporting, including (without limitation) transaction reporting to, and audits by, national and international regulatory, enforcement or exchange bodies, and tax authorities (including the Luxembourg Tax Authority) and the compliance by the Company with court orders associated therewith;
 - 12) for the Monitoring Purposes defined and specified in Section (e) below; and
 - 13) for direct marketing purposes specified in Section (g) below.
- The Company may not collect Personal Data without a valid legal ground. Accordingly, the Company will only process and use Personal Data:
- a. if necessary to enter into, to execute or to carry out a contract with each Shareholder for the services or products they required by the Shareholder (as described in Processing Purposes 1 to 3 inclusive, above);
 - b. if necessary for the Company’s legitimate interests, provided in each case that such interests are not overridden by the privacy interests of impacted individuals. The Company’s legitimate interests are described in the Processing Purposes 1 to 12 inclusive, above;
 - c. to exercise and defend the Company’s legal rights anywhere in the world as described in Processing Purpose 8 above; and
 - d. if necessary to comply with legal obligations, (including any legal or regulatory guidance, codes or opinions), applicable to the Company anywhere in the world as described in Processing Purposes 4, 9 and 10 above.
- b) “Personal Data” includes data that is personal to a Shareholder (whether a Shareholder is a natural or a legal person) and which the Company obtains directly from a Shareholder and/or indirectly from a data processor such as personal details (including, at a minimum, a Shareholder’s name, legal organization, country of residence, address and contact details) and financial account information. Some of this information will be publicly accessible.
- Under certain conditions set out under the Data Protection Laws, a Shareholder shall have the right to:
- i. access to his/her/its Personal Data;
 - ii. to correct or amend his/her/its Personal Data when such Personal Data is inaccurate or incomplete;

- iii. to object to the processing of his/her/its Personal Data;
- iv. to refuse at his/her/its own discretion to provide his/her/its Personal Data to the Company;
- v. to request the erasure of his/her/its Personal Data; and
- vi. to request the portability of his/her/its Personal Data in accordance with the Data Protection Laws.

Shareholders should note in particular that a refusal to provide Personal Data to the Company may result in the Company being required to reject his/her/its application for Shares in the Company.

Shareholders may exercise these rights by contacting the Company at dataprotectionoffice@morganstanley.com. In addition to exercising these rights, Shareholders have also a right to lodge a complaint in connection with matters concerning the processing and protection of Personal Data with the Company at dataprotectionoffice@morganstanley.com, without prejudice to their ability to submit a complaint to the National Commission for Data Protection in Luxembourg (the “CNPD”).

- c) For any Processing Purpose, the Company will delegate the processing of Personal Data, in accordance with the Data Protection Laws, to other parties, including the Management Company, the Administrator and Paying Agent, the Domiciliary Agent, the Registrar and Transfer Agent, and the Depositary, as well as other parties such as settlement agents, foreign banks or exchange or clearing houses, credit reference, fraud prevention and other similar agencies, and other financial institutions, together with parties to which the Company and/or the Management Company may assign or novate Personal Data (each a “Data Processor”, and together the “Data Processors”).

A Data Processor may, subject to the approval of the Company, sub-delegate the processing of Personal Data (and, pursuant to such sub-delegation, the transfer thereof) to its parent company or organization, affiliates, branch offices or third party agents (together, the “Delegates”).

Data Processors and Delegates may be located in countries outside of the EEA (which may include Malaysia, India, United States of America and Hong Kong), where data protection laws may not provide an adequate level of protection. In such cases the Data Processor, with the supervision of the Company, will ensure (i) that it has put in place appropriate data transfer mechanisms with the Company, and (ii) if applicable, that the Delegate has put in place appropriate data transfer mechanisms, in each case such as European Commission Standard Contractual Clauses. Shareholders can obtain a copy of the relevant data transfer mechanism that the Company has put in place by contacting the Company at dataprotectionoffice@morganstanley.com.

The Company will disclose Personal Data to the Luxembourg tax authority, which in turn, acting as data controller, may disclose that Personal Data to foreign tax authorities.

- d) In compliance with the Data Protection Laws, the Company will retain Personal Data in an identifiable form in accordance with the Company’s information management policy which establishes general standards and procedures regarding the retention, handling and disposal of Personal Data. Personal Data shall not be retained for longer than is necessary with regard to the Processing Purposes, subject to any limitation periods imposed by law. Upon request, the Company will provide a Shareholder with more information on the exact retention periods applying to its Personal Data. The retention period may be extended in the sole discretion of the Company if the Company is required to preserve Personal Data in connection with litigation, regulatory investigations and legal proceedings.

- e) To the extent permitted by the Data Protection Laws, the Company and the Management Company (acting as “data controller” within the meaning of the Data Protection Laws) will access, review, disclose, intercept, monitor and record (together, “Monitoring”) (i) verbal and electronic messaging and communications (for example, and without limitation, telephone, sms, instant message, email, Bloomberg and any other electronic or recordable communications) with a Shareholder or Shareholders’ agent (together, “Communications”), and (ii) a Shareholder’s use of technology owned, provided or made accessible by the Company and the Management Company, including (without limitation) systems that facilitate Communications with Shareholders, information processing, transmission, storage and access, including remote access (together, “Systems”).

The Company and the Management Company will subject Communications and Systems to Monitoring only for the following purposes (together, “Monitoring Purposes”):

- 1) to establish the existence of facts (*e.g.*, keeping records of transactions);
- 2) to ascertain compliance with regulatory or self-regulatory practices or procedures which are applicable to the Company and/or the Management Company;
- 3) to ascertain or demonstrate standards which are achieved or ought to be achieved by persons using Systems, including compliance with any terms of use associated use of Systems;
- 4) to prevent, detect or investigate crime, money laundering, fraud, financial crime and/or other breaches of applicable law;
- 5) to comply with applicable laws and regulations, any material contract and any applicable policies and procedures;

- 6) to safeguard against the loss, theft, unauthorised and unlawful collection, use, disclosure, destruction or other processing or misuse of confidential and proprietary information;
- 7) to prevent, detect or investigate unauthorised use of Systems and/or data (e.g., Monitoring to ensure compliance with the policies and procedures of the Company and/or the Management Company, including without limitation those relating to information security and cyber security);
- 8) to ensure the effective operation of Systems (including telephones, email and internet) systems;
- 9) for support and administration purposes;
- 10) to assist with investigations, complaints, regulatory requests, litigation, arbitration, mediation or requests from individuals; and
- 11) in particular, in the course of the operational support and development of the business of the Company and/or the Management Company, such as to evaluate the quality of customer service, efficiency, cost and risk management purposes.

Monitoring will be conducted by the Company and/or the Management Company using various methods, including: (i) the use of “intelligent” automated monitoring tools; (ii) IT filtering tools which randomly review Systems; (iii) random monitoring of Systems, e.g. by authorised supervisors randomly joining on-going telephone calls on sales and trading floors; (iv) specific monitoring of Systems, e.g. in relation to investigations, regulatory requests, subject access requests, litigation, arbitration or mediation; (v) data tracking, aggregation and analysis tools that collect data from various sources to extrapolate linkages and/or detect behavioural patterns, interactions or preferences for analysis (including predictive analysis); and/or (vi) using other similar Monitoring technology that may become available from time to time.

The Company and/or the Management Company also use cookies and similar technologies to collect information about Shareholders as part of and/or in connection with services provided by them or in connection with any System owned or provided by them. By accessing or using services or a System, a Shareholder signifies his/her/its understanding that the Company and/or the Management Company will use such cookies and similar technologies as detailed in the Company’s privacy policy, and that if the Shareholder chooses to reject such cookies, some or all parts of the services or the relevant System may not function properly or may not be accessible. To find out more about how the Company and/or the Management Company uses cookies and similar technologies, how the Company and/or the Management Company processes the information obtained through cookies and how a Shareholder

may reject cookies, see the Company’s privacy policy at www.morganstanley.com/privacy_pledge.

- f) Any documentation or records relating to the Monitoring of Systems shall be prima facie evidence of any orders or communications that have been subjected to Monitoring, and Shareholders agree that such records shall be admissible as such in any legal proceedings. Furthermore, Shareholders confirm that they will not use, file, or cite as a reason for objecting to the admission of such records as evidence in any legal proceedings either that the records are not originals, or are not in writing or are documents produced by a computer. The Company and/or the Management Company will retain such records in accordance with its operational procedures which may change from time to time in its absolute discretion, however, such records shall not be held by the Company for longer than is necessary with regard to the Monitoring Purposes, subject to any limitation periods imposed by law. Shareholders are hereby informed that this record keeping should not be deemed to be a substitute for their own keeping of adequate records in accordance with any applicable rules or regulations to which they are subject.
- g) If there are any products or services that the Company and/or the Management Company believes may be of particular interest to a Shareholder, whether provided or sponsored by the Company and/or the Management Company or their respective affiliates, or by third party investment services providers (for example, a fund manager or insurance service provider not affiliated with the Company, the Management Company or their respective affiliates), the Company, the Management Company or their respective affiliates will contact that Shareholder by means which may include mail, email, sms and telephone), including outside standard working hours. When required by the Data Protection Laws, a Shareholder’s prior consent will be requested before its Personal Data is used to make or facilitate direct marketing of this nature. If a Shareholder does not wish the Company, the Management Company or their respective affiliates to use its Personal Data in this way, or does not wish to provide Personal Data for such direct marketing purposes, the Shareholder may notify the Company, the Management Company or their respective affiliates at any time in accordance with section (b) above or as directed in any marketing materials that may be received by Shareholders. In this respect, each Shareholder has a right to object to the use of his/her/its Personal Data for marketing purposes. This objection must be made in writing by letter addressed to the Company, the Management Company or their respective affiliates at European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, or at cslux@morganstanley.com.

- h) Before providing the Company and/or the Management Company with access to, or permitting any access to, or permitting the processing of, Personal Data which contains any data regarding an individual in connection with this Prospectus, a Shareholder should ensure that: (i) the individual understands that the Shareholder will be providing their Personal Data to the Company, the Management Company or their respective affiliates; (ii) the individual has been provided with the information set out herein regarding the collection, use, processing, disclosure and overseas transfer of Personal Data, the use of Personal Data for direct marketing purposes, and the possibility of monitoring or recording of their or their agent's communications by the Company, the Management Company or their respective affiliates (in each case if permitted by the Data Protection Laws); (iii) if required, the individual has provided their consent to the processing by the Company, the Management Company or their respective affiliates of their Personal Data or that another legal basis to process Personal Data is satisfied; and (iv) the individual is aware of their data protection rights and how to exercise these.

Appendix E

List of sub-custodians used by the Depositary and sub-delegates that may arise from any delegation of the Depositary's duties

This list is accurate as at the date of the Prospectus. The latest version of such list may be obtained by investors from the Company upon request.

Market	Sub Custodian	Cash Correspondent Bank
ARGENTINA	HSBC Bank Argentina S.A. Boulevard 557, 18th Floor Buenos Aires C1106ABJ ARGENTINA	HSBC Bank Argentina S.A. Buenos Aires
AUSTRALIA	JPMorgan Chase Bank N.A.** Level 31, 101 Collins Street Melbourne 3000 AUSTRALIA	Australia and New Zealand Banking Group Ltd. Melbourne JPMorgan Chase Bank N.A., Sydney Branch (for clients utilising J.P. Morgan's domestic AUD solution)** Sydney
AUSTRIA	UniCredit Bank Austria AG Julius Tandler Platz – 3, Vienna A-1090 AUSTRIA	J.P. Morgan AG** Frankfurt
BAHRAIN	HSBC Bank Middle East Limited Road No 2832 Al Seef 428 BAHRAIN	HSBC Bank Middle East Limited Al Seef
BANGLADESH	Standard Chartered Bank Portlink Tower, Level-6, 67 Gulshan Avenue, Gulshan Dhaka 1212 BANGLADESH	Standard Chartered Bank Dhaka
BELGIUM	J.P. Morgan SE Luxembourg Branch (for clients contracting with this entity and JPMorgan Chase Bank, N.A.)** European Bank & Business Centre, 6, route de Treves Senningerberg L-2633 LUXEMBOURG BNP Paribas Securities Services S.C.A. (for clients contracting with J.P. Morgan (Suisse) SA and for all Belgian Bonds settling in the National Bank of Belgium (NBB) and Physical Securities held by clients) Central Plaza Building, Rue de Loxum, 25, 7th Floor Brussels 1000 BELGIUM J.P. Morgan Bank (Ireland) PLC (for clients contracting with this entity)** 200 Capital Dock, 79 Sir John Rogerson's Quay Dublin D02 RK57 IRELAND	J.P. Morgan A.G.** Frankfurt am Main
BERMUDA	HSBC Bank Bermuda Limited 37 Front Street Hamilton HM 11 BERMUDA	HSBC Bank Bermuda Limited Hamilton
BOTSWANA	Standard Chartered Bank Botswana Limited 5th Floor, Standard House, P.O. Box 496, Queens Road, The Mall Gaborone BOTSWANA	Standard Chartered Bank Botswana Limited Gaborone

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

Market	Sub Custodian	Cash Correspondent Bank
BRAZIL	J.P. Morgan S.A. DTVM** Av. Brigadeiro Faria Lima, 3729, Floor 06 Sao Paulo SP 04538 905 BRAZIL	J.P. Morgan S.A. DTVM** Sao Paulo
BULGARIA	Citibank Europe plc Serdika Offices, 10th Floor, 48 Sitnyakovo Blvd Sofia 1505 BULGARIA	ING Bank N.V. Sofia
CANADA	CIBC Mellon Trust Company (Note: Clients please refer to your issued settlement instructions) 1 York Street, Suite 900 Toronto Ontario M5J 0B6 CANADA Royal Bank of Canada (Note: Clients please refer to your issued settlement instructions) 155 Wellington Street West Toronto M5V 3L3 CANADA	Royal Bank of Canada Toronto
CHILE	Banco Santander Chile Bandera 140, Piso 4 Santiago CHILE	Banco Santander Chile Santiago
CHINA A-SHARE	JPMorgan Chase Bank (China) Company Limited (Note: Clients please refer to your issued settlement instructions)** 41st floor, Park Place, No. 1601, West Nanjing Road, Jingan District SHANGHAI The People's Republic of China HSBC Bank (China) Company Limited (Note: Clients please refer to your issued settlement instructions) 33/F, HSBC Building, Shanghai IFC, 8 Century Avenue, Pudong Shanghai 200120 THE PEOPLE'S REPUBLIC OF CHINA	JPMorgan Chase Bank (China) Company Limited (Note: Clients please refer to your issued settlement instructions)** Shanghai HSBC Bank (China) Company Limited (Note: Clients please refer to your issued settlement instructions) Shanghai
CHINA B-SHARE	HSBC Bank (China) Company Limited 33/F, HSBC Building, Shanghai IFC, 8 Century Avenue, Pudong Shanghai 200120 THE PEOPLE'S REPUBLIC OF CHINA	JPMorgan Chase Bank, N.A. ** New York JPMorgan Chase Bank, N.A.** Hong Kong
CHINA CONNECT	JPMorgan Chase Bank, N.A.** 48th Floor, One Island East, 18 Westlands Road, Quarry Bay Hong Kong Island HONG KONG	JPMorgan Chase Bank, N.A.** Hong Kong
COLOMBIA	Cititrust Colombia S.A. Carrera 9 A #99-02, 3rd Floor Bogota COLOMBIA	Cititrust Colombia S.A. Bogotá

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

Market	Sub Custodian	Cash Correspondent Bank
COSTA RICA	Banco BCT S.A. 150 Metros Norte de la Catedral Metropolitana, Edificio BCT San Jose COSTA RICA	Banco BCT, S.A. San Jose
CROATIA	Privredna banka Zagreb d.d. Radnicka cesta 50 Zagreb 10000 CROATIA	Zagrebacka banka d.d. Zagreb
CYPRUS	HSBC France Athens Branch 109-111, Messogion Ave. Athens 11526 GREECE	J.P. Morgan AG** Frankfurt am Main
CZECH REPUBLIC	UniCredit Bank Czech Republic and Slovakia, a.s. BB Centrum – FILADELFIE, Zeletavska 1525-1, Prague 1 Prague 140 92 CZECH REPUBLIC	Ceskoslovenska obchodni banka, a.s. Prague
DENMARK	Nordea Bank Abp Christiansbro, Strandgade 3, P.O. Box 850 Copenhagen DK-0900 DENMARK	Nordea Bank Abp Copenhagen
EGYPT	Citibank N.A., Egypt Boomerang Building, Plot 46, Zone J, 1st district, 5th Settlement, New Cairo 11511 EGYPT	Citibank N.A., Egypt New Cairo
ESTONIA	Swedbank AS Liivalaia 8 Tallinn 15040 ESTONIA	J.P. Morgan AG** Frankfurt am Main
FINLAND	Nordea Bank Abp Satamaradankatu 5 Helsinki FIN-00020 Nordea FINLAND	J.P. Morgan AG** Frankfurt am Main
FRANCE	BNP Paribas Securities Services S.C.A. (for clients contracting with J.P. Morgan (Suisse) SA and for Physical Securities and Ordre de Mouvement (ODMs) held by clients) 3, Rue d'Antin Paris 75002 FRANCE J.P. Morgan SE, Luxembourg Branch (for clients contracting with this entity and JPMorgan Chase Bank, N.A.)** European Bank & Business Centre, 6, route de Treves Senningerberg L-2633 LUXEMBOURG J.P. Morgan Bank (Ireland) PLC (for clients contracting with this entity)** 200 Capital Dock, 79 Sir John Rogerson's Quay Dublin D02 RK57 IRELAND	J.P. Morgan AG** Frankfurt am Main

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** J.P. Morgan affiliate.

Market	Sub Custodian	Cash Correspondent Bank
GERMANY	J.P. Morgan AG (for domestic German custody clients only)** Taunustor 1 (TaunusTurm) Frankfurt am Main 60310 GERMANY Deutsche Bank AG Alfred-Herrhausen-Allee 16-24 Eschborn D-65760 GERMANY	J.P. Morgan AG** Frankfurt am Main
GHANA	Standard Chartered Bank Ghana Limited Accra High Street, P.O. Box 768 Accra GHANA	Standard Chartered Bank Ghana Limited Accra
GREECE	HSBC France Athens Branch 109-111, Messogion Ave. Athens 11526 GREECE	J.P. Morgan AG** Frankfurt am Main
HONG KONG	JPMorgan Chase Bank, N.A.** 48th Floor, One Island East, 18 Westlands Road, Quarry Bay Hong Kong Island HONG KONG	JPMorgan Chase Bank, N.A.** Hong Kong
HUNGARY	Deutsche Bank AG Hold utca 27 Budapest H-1054 HUNGARY	ING Bank N.V. Budapest
ICELAND	Islandsbanki hf. Kirkjusandur 2 Reykjavik IS-155 ICELAND	Islandsbanki hf. Reykjavik
INDIA	JPMorgan Chase Bank, N.A.** 6th Floor, Paradigm B Wing, Mindspace, Malad (West) Mumbai 400 064 INDIA	JPMorgan Chase Bank, N.A.** Mumbai
INDONESIA	PT Bank HSBC Indonesia WTC 3 Building – 8th floor Jl. Jenderal Sudirman Kav. 29-31 Jakarta 12920 INDONESIA	PT Bank HSBC Indonesia Jakarta
IRELAND	JPMorgan Chase Bank, N.A.** 25 Bank Street Canary Wharf London E14 5JP UNITED KINGDOM	J.P. Morgan AG** Frankfurt am Main
ISRAEL	Bank Leumi le-Israel B.M. 35, Yehuda Halevi Street Tel Aviv 65136 ISRAEL	Bank Leumi le-Israel B.M. Tel Aviv

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

Market	Sub Custodian	Cash Correspondent Bank
ITALY	J.P. Morgan Bank (Ireland) PLC (for clients contracting with this entity. Clients contracting with J.P. Morgan SE, Luxembourg Branch please refer to your issued settlement instructions)** 200 Capital Dock, 79 Sir John Rogerson's Quay Dublin D02 RK57 IRELAND	J.P. Morgan AG** Frankfurt am Main
	J.P. Morgan Bank (Ireland) PLC (for clients contracting with this entity. Clients contracting with J.P. Morgan SE, Luxembourg Branch please refer to your issued settlement instructions)** 200 Capital Dock, 79 Sir John Rogerson's Quay Dublin D02 RK57 IRELAND	
JAPAN	Mizuho Bank Ltd. (Note: Clients please refer to your issued settlement instructions) 2-15-1, Konan, Minato-ku Tokyo 108-6009 JAPAN	JPMorgan Chase Bank, N.A.** Tokyo
	MUFG Bank, Ltd. (Note: Clients please refer to your issued settlement instructions) 1-3-2 Nihombashi Hongoku-cho, Chuo-ku Tokyo 103-0021 JAPAN	
JORDAN	Standard Chartered Bank Shmeissani Branch, Al-Thaqafa Street, Building #2 P.O. Box 926190 Amman JORDAN	Standard Chartered Bank Amman
KAZAKHSTAN	JSC Citibank Kazakhstan Park Palace, Building A, Floor 2, 41 Kazybek Bi Almaty 050010 KAZAKHSTAN	JSC Citibank Kazakhstan Almaty
KENYA	Standard Chartered Bank Kenya Limited Chirimo, 48 Westlands Road Nairobi 00100 KENYA	Standard Chartered Bank Kenya Limited Nairobi
KUWAIT	HSBC Bank Middle East Limited Kuwait City, Sharq Area Safat 13017 KUWAIT	HSBC Bank Middle East Limited Safat
LATVIA	Swedbank AS Balast dambis 1a Riga LV-1048 LATVIA	J.P. Morgan AG** Frankfurt am Main
LITHUANIA	AB SEB Bankas 12 Gedimino pr. Vilnius LT 2600 LITHUANIA	J.P. Morgan AG** Frankfurt am Main
LUXEMBOURG	BNP Paribas Securities Services S.C.A. 60 Avenue John F. Kennedy Luxembourg L-1855 LUXEMBOURG	J.P. Morgan AG** Frankfurt am Main

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** J.P. Morgan affiliate.

Market	Sub Custodian	Cash Correspondent Bank
MALAWI	Standard Bank Limited 1st Floor Kaomba House, Cnr Glyn Jones Road & Victoria Avenue Blantyre MALAWI	Standard Bank Limited Blantyre
MALAYSIA	HSBC Bank Malaysia Berhad 2 Leboh Ampang, 12th Floor, South Tower Kuala Lumpur 50100 MALAYSIA	HSBC Bank Malaysia Berhad Kuala Lumpur
MAURITIUS	The Hongkong and Shanghai Banking Corporation Limited HSBC Centre, 18 Cybercity Ebene MAURITIUS	The Hongkong and Shanghai Banking Corporation Limited Ebene
MEXICO	Banco Nacional de Mexico S.A. Act. Roberto Medellin No. 800 3er Piso Norte Colonia Santa Fe Mexico, D.F. 1210 MEXICO	Banco Santander (Mexico) S.A. Ciudad de México, C.P.
MOROCCO	Société Générale Marocaine de Banques 55 Boulevard Abdelmoumen Casablanca 20100 MOROCCO	Attijariwafa Bank S.A. Casablanca
NAMIBIA	Standard Bank Namibia Limited 2nd Floor, Town Square Building, Corner of Werner List and Post Street Mall, P.O. Box 3327 Windhoek NAMIBIA	The Standard Bank of South Africa Limited Johannesburg
NETHERLANDS	J.P. Morgan SE, Luxembourg Branch (for clients contracting with this entity and JPMorgan Chase Bank, N.A.) European Bank & Business Centre, 6, route de Treves Senningerberg L-2633 LUXEMBOURG BNP Paribas Securities Services S.C.A. (for clients contracting with J.P. Morgan (Suisse) SA) Herengracht 595 Amsterdam 1017 CE NETHERLANDS J.P. Morgan Bank (Ireland) PLC (for clients contracting with this entity)** 200 Capital Dock, 79 Sir John Rogerson's Quay Dublin D02 RK57 IRELAND	J.P. Morgan AG** Frankfurt am Main
NEW ZEALAND	JPMorgan Chase Bank, N.A.** Level 13, 2 Hunter Street Wellington 6011 NEW ZEALAND	JPMorgan Chase Bank, N.A. New Zealand Branch (for clients utilising J.P. Morgan's domestic NZD solution)** Wellington Westpac Banking Corporation Wellington

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** J.P. Morgan affiliate.

Market	Sub Custodian	Cash Correspondent Bank
NIGERIA	Stanbic IBTC Bank Plc Plot 1712, Idejo Street Victoria Island Lagos NIGERIA	Stanbic IBTC Bank Plc Lagos
NORWAY	Nordea Bank Abp Essendropsgate 7, P.O. Box 1166 Oslo NO-0107 NORWAY	Nordea Bank Abp Oslo
OMAN	HSBC Bank Oman S.A.O.G. 2nd Floor Al Khuwair P.O. Box 1727 Seeb PC 111 OMAN	HSBC Bank Oman S.A.O.G. Seeb
PAKISTAN	Standard Chartered Bank (Pakistan) Limited P.O. Box 4896, Ismail Ibrahim Chundrigar Road Karachi 74000 PAKISTAN	Standard Chartered Bank (Pakistan) Limited Karachi
PERU	Citibank del Perú S.A. Canaval y Moreryra 480 Piso 3, San Isidro San Isidro, L-27 L-27 Lima, PERU	Banco de Crédito del Perú Lima 012
PHILIPPINES	The Hongkong and Shanghai Banking Corporation Limited 7/F HSBC Centre, 3058 Fifth Avenue West, Bonifacio Global City Taguig City 1634 PHILIPPINES	The Hongkong and Shanghai Banking Corporation Limited Taguig City
POLAND	Bank Handlowy w. Warszawie S.A. ul. Senatorska 16 Warsaw 00-923 POLAND	mBank S.A. Warsaw
PORTUGAL	BNP Paribas Securities Services S.C.A. Avenida D.João II, Lote 1.18.01, Bloco B, 7º andar Lisbon 1998-028 PORTUGAL	J.P. Morgan AG** Frankfurt am Main
QATAR	HSBC Bank Middle East Limited 2nd Floor, Ali Bin Ali Tower, Building 150, Airport Road Doha QATAR	The Commercial Bank (P.Q.S.C.) Doha
ROMANIA	Citibank Europe plc 145 Calea Victoriei, 1st District Bucharest 10072 ROMANIA	ING Bank N.V. Bucharest
RUSSIA	Commercial Bank "J.P. Morgan Bank International" (Limited Liability Company)** 10, Butyrsky Val, White Square Business Centre, Floor 12 Moscow 125047 RUSSIA	Public Joint-Stock Company Rosbank Moscow JPMorgan Chase Bank, N.A.** New York

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** J.P. Morgan affiliate.

Market	Sub Custodian	Cash Correspondent Bank
SAUDI ARABIA	J.P. Morgan Saudi Arabia Company (Note: Clients please refer to your issued settlement instructions)** Al Faisaliah Tower, Level 8, P.O. Box 51907 Riyadh 11553 SAUDI ARABIA	The Saudi British Bank Riyadh
	HSBC Saudi Arabia (Note: Clients please refer to your issued settlement instructions) 2/F HSBC Building, 7267 Olaya Street North, Al Murooj Riyadh 12283-2255 SAUDI ARABIA	
SERBIA	Unicredit Bank Srbija a.d. Rajiceva 27-29 Belgrade 11000 SERBIA	Unicredit Bank Srbija a.d. Belgrade
SINGAPORE	DBS Bank Ltd 10 Toh Guan Road, DBS Asia Gateway, Level 04-11 (4B) 608838 SINGAPORE	Oversea-Chinese Banking Corporation Singapore
SLOVAK REPUBLIC	UniCredit Bank Czech Republic and Slovakia, a.s. Sancova 1/A Bratislava SK-813 33 SLOVAK REPUBLIC	J.P. Morgan AG** Frankfurt am Main
SLOVENIA	UniCredit Banka Slovenija d.d. Smartinska 140 Ljubljana SI-1000 SLOVENIA	J.P. Morgan AG** Frankfurt am Main
SOUTH AFRICA	FirstRand Bank Limited 1 Mezzanine Floor, 3 First Place, Bank City Cnr Simmonds and Jeppe Streets Johannesburg 2001 SOUTH AFRICA	The Standard Bank of South Africa Limited Johannesburg
SOUTH KOREA	Kookmin Bank Co. Ltd. (Note: Clients please refer to your issued settlement instructions) 84, Namdaemun-ro, Jung-gu Seoul 100-845 SOUTH KOREA	Kookmin Bank Co. Ltd. (Note: Clients please refer to your issued settlement instructions) Seoul
	Standard Chartered Bank Korea Limited (Note: Clients please refer to your issued settlement instructions) 47 Jongro, Jongro-Gu Seoul 3160 SOUTH KOREA	Standard Chartered Bank Korea Limited (Note: Clients please refer to your issued settlement instructions) Seoul
SPAIN	Santander Securities Services, S.A. Parque Empresarial La Finca, Pozuelo de Alarcón Madrid 28223 SPAIN	J.P. Morgan AG** Frankfurt am Main
SRI LANKA	The Hongkong and Shanghai Banking Corporation Limited 24 Sir Baron Jayatillaka Mawatha Colombo 1 SRI LANKA	The Hongkong and Shanghai Banking Corporation Limited Colombo

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

Market	Sub Custodian	Cash Correspondent Bank
SWEDEN	Nordea Bank Abp Hamngatan 10 Stockholm SE-105 71 SWEDEN	Svenska Handelsbanken Stockholm
SWITZERLAND	UBS Switzerland AG 45 Bahnhofstrasse Zurich 8021 SWITZERLAND	UBS Switzerland AG Zurich
TAIWAN	JPMorgan Chase Bank, N.A. ** 8th Floor, Cathay Xin Yi Trading Building, No. 108, Section 5, Xin Yi Road Taipei 11047 TAIWAN	PMorgan Chase Bank, N.A. ** Taipei
TANZANIA	Stanbic Bank Tanzania Limited Stanbic Centre, Corner Kinondoni and A.H. Mwinyi Roads, P.O. Box 72648 Dar es Salaam TANZANIA	Stanbic Bank Tanzania Limited Dar es Salaam
THAILAND	Standard Chartered Bank (Thai) Public Company Limited 14th Floor, Zone B, Sathorn Nakorn Tower, 90 North Sathorn Road Bangrak, Silom, Bangrak Bangkok 10500 THAILAND	Standard Chartered Bank (Thai) Public Company Limited Bangkok
TUNISIA	Banque Internationale Arabe de Tunisie S.A. 70-72 Avenue Habib Bourguiba, P.O. Box 520 Tunis 1000 TUNISIA	Banque Internationale Arabe de Tunisie S.A. Tunis
TURKEY	Citibank A.S. Inkilap Mah., Yilmaz Plaza, O. Faik Atakan Caddesi No. 3, Umraniye Istanbul 34768 TURKEY	JPMorgan Chase Bank, N.A. Istanbul Branch ** Istanbul
UGANDA	Standard Chartered Bank Uganda Limited 5 Speke Road, PO Box 7111 Kampala UGANDA	Standard Chartered Bank Uganda Limited Kampala
UKRAINE	JSC Citibank 16-G Dilova Street Kiev 03150 UKRAINE	JPMorgan Chase Bank, N.A. ** New York JSC Citibank Kiev
UNITED ARAB EMIRATES	HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5, P.O. Box 502601 Dubai UNITED ARAB EMIRATES	JPMorgan Chase Bank, N.A. ** The National Bank of Abu Dhabi Dubai
UNITED KINGDOM	JPMorgan Chase Bank, N.A. ** 4 New York Plaza New York 10004 UNITED STATES Deutsche Bank AG Depository and Clearing Centre 10 Bishops Square London E1 6EG UNITED KINGDOM	JPMorgan Chase Bank, N.A. ** New York

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** J.P. Morgan affiliate.

Market	Sub Custodian	Cash Correspondent Bank
UNITED STATES	JPMorgan Chase Bank, N.A.** 4 New York Plaza New York 10004 UNITED STATES	JPMorgan Chase Bank, N.A.** New York
URUGUAY	Banco Itaú Uruguay S.A. Zabala 1463 Montevideo 11000 URUGUAY	Banco Itaú Uruguay S.A. Montevideo
VIETNAM	HSBC Bank (Vietnam) Ltd. 106 Nguyen Van Troi Street, Phu Nhuan District Ho Chi Minh City VIETNAM	HSBC Bank (Vietnam) Ltd. Ho Chi Minh City
WAEMU – BENIN, BURKINA FASO, GUINEA-BISSAU, IVORY COAST, MALI, NIGER, SENEGAL, TOGO	Standard Chartered Bank Côte d'Ivoire SA 23 Boulevard de la Republique 1 Abidjan 01 B.P. 1141 IVORY COAST	Standard Chartered Bank Côte d'Ivoire SA Abidjan
ZAMBIA	Standard Chartered Bank Zambia Plc Standard Chartered House, Cairo Road P.O. Box 32238 Lusaka 10101 ZAMBIA	Standard Chartered Bank Zambia Plc Lusaka
ZIMBABWE	Stanbic Bank Zimbabwe Limited Stanbic Centre, 3rd Floor, 59 Samora Machel Avenue Harare ZIMBABWE	Stanbic Bank Zimbabwe Limited Harare

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Appendix F

Facilities Agents and Services

According to Article 92 of the UCITS Directive, the facilities tasks are as follows:

- a) process subscription, repurchase and redemption orders and make other payments to Shareholders relating to the Shares of the Company, in accordance with the conditions set out in the Prospectus and the KIDs;
- b) provide investors with information on how orders referred to in point a. can be made and how repurchase and redemption proceeds are paid;
- c) facilitate the handling of information and access to procedures and arrangements referred to in Article 15 of the UCITS Directive relating to the investors' exercise of their rights arising from their investment in the Company in the Member State where the Company is marketed;
- d) make the information and documents required pursuant to Chapter IX of the UCITS Directive available to investors under the conditions laid down in Article 94 of the UCITS Directive, for the purposes of inspection and obtaining copies thereof;
- e) provide investors with information relevant to the tasks that the facilities agent performs in a durable medium;
- f) act as a contact point for communicating with the competent authorities.

The Company has appointed the facilities agents for the tasks listed a) and b) above in Article 92 of the UCITS Directive, and it has agreed to provide such facilities at its offices set out below.

Country	Facilities for EU investors
AUSTRIA	UniCredit Bank Austria AG Rothschildplatz 1 A-1020 Vienna Austria Email: stephan.hans@unicreditgroup.at
BELGIUM	CACEIS Investor Services Belgium S.A 11, Place Rogier 1210 Brussels Belgium Email: CACEISIS_BE_FundCorporateServices@caceis.com
CZECH REPUBLIC	Unicredit Bank Czech Republic and Slovakia, a.s. Prague 4 – Michle, Zeletavska 1525/1 Postal code 14092 Czech Republic ICO:64948242 Email: Tomas.bartek@unicreditgroup.cz & Jaroslava.slatinska@unicreditgroup.cz
DENMARK	Nordea Danmark Standgade 3 0900 Copenhagen C Denmark Email: issuerservice.dk@nordea.com
FRANCE	Caceis Bank SA 1/3 Place Valhubert 75013 Paris France Email: BK-OPCVMHVS@caceis.com
GERMANY	Morgan Stanley Bank AG Grosse Gallusstrasse 18 D-60312 Frankfurt am Main Germany Email: msim-germany@morganstanley.com
GREECE	Alpha Bank 40, Stadiou Street 102 52 Athens Greece Email: ForeignCustodyGroup2@alpha.gr

Country	Facilities for EU investors
IRELAND	<p>J.P. Morgan Administration Services (Ireland) Limited International Financial Services Centre Dublin 1 Ireland Email: Dublin.TAOperations@jpmorgan.com</p>
ITALY	<p>All Funds Bank S.A. - (Italian branch) Via Bocchetto, 6 20121 Milano Italy Email: fundgroupsitaly@allfunds.com; milan_ta_customer_services@allfunds.it</p> <p>Allianz Bank Financial Advisors SpA Piazza Tre Torri 320145 Milano Italy Email: correspondentbank@allianzbank.it</p> <p>Caceis Bank SA (Italian Branch) Piazza Cavour, 2 20121 Milano Italy Email: milan.lpa.customer@caceis.com</p> <p>ICCREA Banca S.p.A. Via Lucrezia Romana 41/47 00178 Roma Italy Email: banca.corrispo@iccrea.bcc.it</p> <p>Monte Dei Paschi di Siena SpA Via Grossi 3 46100 Mantova Italy Email: operation.bancacorrispondente@mps.it</p> <p>Société Générale Securities Services S.p.A. Via Benigno Crespi, 19/A - MAC 2 20159 Milano Italy Email: SGSS.TAOICESTERI@socgen.com</p> <p>State Street Bank International GmbH (Italian Branch) Via Ferrante Aporti 10 20125 Milano Italy Email: LPA_SSBITALY_TA@statestreet.com</p> <p>Banca Sella Holding SPA Piazza Gaudenzio Sella 1 13900 Biella BI Italy Email: fondiesteri@sella.it</p>
LUXEMBOURG	<p>J.P. Morgan SE, Luxembourg Branch (effective 22 January 2022) European Bank and Business Centre, 6 route de Treves L-2633 Senningerberg Grand Duchy of Luxembourg Email: luxpayingagency@jpmorgan.com</p>
PORTUGAL	<p>BEST – Banco Electronico De Servico Total S.A. Praça Marquês de Pombal, 3A, 3 1250-096 Lisbon Portugal Email: bestdi.oferta@bancobest.pt</p>

Country	Facilities for EU investors
SPAIN	Paying Agents (refer to Annual Report and Accounts). Every distributor registered in Spain acts as a paying agent for the company and a list of them are available on www.cnmv.es
SWEDEN	MFEX Mutual Funds Exchange AB Box 5378, Grev Turegatan 19 SE-10249 Stockholm Sweden Email: fundinformation@mfex.com

The Company will provide the tasks listed under points c) to e) above in Article 92 of the UCITS Directive, at its registered office 6B, Route de Trèves, L-2633 Senningerberg, Email: cslux@morganstanley.com.

The countries that do not have a facilities agent appointed are listed below.

Estonia
Finland
Iceland
Latvia
Liechtenstein
Lithuania
Norway
Romania
Slovakia
The Netherlands

CACEIS Investor Services Bank S.A., 14, Rue Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, Tel (352) 2605 9782, Fax (352) 2460 9902. Email csmorganstanley@caceis.com, will provide the tasks listed under point a) above.

For tasks listed under points b) to e) above, please contact Morgan Stanley Client Services at CSLux@morganstanley.com.

Arendt Regulatory & Consulting S.A. 41A Avenue J.F Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg will act as the contact point for communicating with the competent authorities, according to point f) above of Article 92 of the UCITS Directive. Email at DistributionARC@arendt.com.

This appendix is available in the official language of your local jurisdiction at: www.morganstanleyinvestmentfunds.com. The Luxembourg webpage provides this appendix in additional languages of other EU regions.

Appendix G

SFDR Disclosures Annex

This Annex contains pre-contractual disclosures for the following financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852 which are also authorized by the Securities and Futures Commission of Hong Kong (“SFC”) pursuant to section 104 of the Securities and Futures Ordinance and hence may be offered to the public of Hong Kong:

Equity funds:

- Asia Opportunity Fund
- Asian Property Fund
- Global Brands Fund
- Global Infrastructure Fund
- Global Opportunity Fund
- NextGen Emerging Markets Fund
- Sustainable Emerging Markets Equity Fund
- US Advantage Fund
- US Growth Fund
- US Property Fund

Bond funds:

- Emerging Markets Debt Fund
- Emerging Markets Domestic Debt Fund
- Global Bond Fund
- Global Convertible Bond Fund

Please contact the Management Company for the corresponding information relating to the following Funds which are not authorized by the SFC:

Equity funds:

- American Resilience Fund
- Calvert Global Equity Fund
- Calvert Sustainable Climate Aligned Fund
- Calvert Sustainable Climate Transition Fund
- Calvert Sustainable Developed Europe Equity Select Fund
- Calvert Sustainable Developed Markets Equity Select Fund
- Calvert Sustainable Diversity, Equity & Inclusion Fund
- Calvert Sustainable Emerging Markets Equity Select Fund
- Calvert Sustainable US Equity Select Fund
- Calvert US Equity Fund
- Counterpoint Global Fund
- Developing Opportunity Fund
- Emerging Leaders Equity Fund
- Europe Opportunity Fund
- European Property Fund
- Global Brands Equity Income Fund
- Global Endurance Fund
- Global Focus Property Fund

- Global Insight Fund
- Global Permanence Fund
- Global Property Fund
- Global Quality Fund
- Global Sustain Fund
- Japanese Equity Fund
- Sustainable Asia Equity Fund
- Tailwinds Fund
- US Focus Property Fund
- US Insight Fund
- US Permanence Fund
- US Value Fund¹
- Vitality Fund

Bond funds:

- Calvert Global High Yield Bond Fund
- Calvert Sustainable Global Green Bond Fund
- Emerging Markets Corporate Debt Fund
- Emerging Markets Debt Opportunities Fund
- Emerging Markets Fixed Income Opportunities Fund
- Emerging Markets Local Income Fund
- Euro Bond Fund
- Euro Corporate Bond Fund
- Euro Corporate Bond – Duration Hedged Fund
- Euro Strategic Bond Fund
- European Fixed Income Opportunities Fund
- European High Yield Bond Fund
- Floating Rate ABS Fund
- Global Asset Backed Securities Focused Fund
- Global Asset Backed Securities Fund
- Global Credit Fund
- Global Credit Opportunities Fund
- Global Fixed Income Opportunities Fund
- Global High Yield Bond Fund
- Short Maturity Euro Bond Fund
- Short Maturity Euro Corporate Bond Fund
- Sustainable Euro Corporate Bond Fund
- Sustainable Euro Strategic Bond Fund
- US Dollar Corporate Bond Fund
- US Dollar Short Duration Bond Fund
- US Dollar Short Duration High Yield Bond Fund
- US High Yield Bond Fund
- US High Yield Middle Market Bond Fund

Asset Allocation funds:

- Global Balanced Fund
- Global Balanced Income Fund¹
- Global Balanced Sustainable Fund

¹ With effect as from 27 December 2023 only.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
Asia Opportunity Fund

Legal entity identifier:
549300A6F3VVR9QM8333

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the following environmental and social characteristics:

- the Fund promotes the environmental characteristic of limiting environmental externalities by excluding investments in coal; and
- the Fund promotes the social characteristic of avoiding investments in certain activities which can cause harm to human health and wellbeing, including tobacco and certain weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

These exclusions are implemented in line with the Fund's Restriction Screening Policy, which can be found on www.morganstanley.com/im at https://www.morganstanley.com/im/publication/msinvf/material/rsp_msinvf_counterpointglobal_en.pdf

Further detail on the nature of these exclusions is set out below (in response to the question "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator is the percentage of companies in the Fund which breach the exclusionary screens. The sustainability indicator will therefore be that 0% of the Fund's investments are in violation of the Fund's Restriction Screening Policy.

Compliance with the exclusions is monitored on an ongoing basis through an automated process, comprising pre- and post-trade guideline monitoring and exception-based screening.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The “do no significant harm” principle applies only to the portion of the Fund’s investments that are sustainable investments.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

The Fund considers principal adverse impacts (“PAI”) on sustainability factors only in part, as follows:

- The Fund excludes issuers which receive a certain percentage of their revenue from coal mining and extraction. The Fund therefore partly considers the PAI indicator (4) exposure to companies active in the fossil fuel sector.
- The Fund excludes issuers which are involved in manufacturing the core weapon system of cluster munitions and anti-personnel mines. The Fund therefore partly considers the PAI indicator (14) exposure to controversial weapons.

Where the Investment Adviser considers the following PAI indicators to be materially relevant to, or impacted by, the activities of the issuer, it will also consider the following PAIs on sustainability factors. This will be done by the Investment Advisor (a) integrating ESG analysis within the research process and/or (b) engaging with management of investee companies. The PAIs considered are the following:

- PAI indicator (1): Greenhouse gas emissions (GHG);
- PAI indicator (2): Carbon footprint;
- PAI indicator (3): GHG intensity;
- PAI indicator (5): Non-Renewable energy consumption and production; and
- PAI indicator (6): Energy consumption intensity per high impact climate sector.

As a result, the Fund contributes to mitigating the Fund's adverse impacts on these sustainability factors.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What investment strategy does this financial product follow?

The Fund seeks long-term capital appreciation by investing in high quality established and emerging companies located in Asia, excluding Japan, that the investment team believes are undervalued at the time of purchase. To achieve its objective, the investment team typically favors companies it believes have sustainable competitive advantages that can be monetized through growth. The investment process integrates analysis of sustainability with respect to disruptive change, financial strength, environmental and social externalities and governance (also referred to as ESG).

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Binding restriction screens are applied to the Fund to restrict investments in corporate issuers whose industry classification or core business activity, determined in accordance with the methodology set out below, involves:

- Tobacco;
- Coal; or
- Weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The methodology used to determine industry classification or core business activity for the purpose of the above-described screening is as follows:

- 1) Global Industry Classification Standard (GICS) Sub-Industry is Tobacco or Coal & Consumable Fuels;
- 2) Revenue (as defined by external third-party data):
 - more than 5% of its recent-year revenue (or estimated revenue) from Tobacco;
 - more than 10% of its recent-year revenue (or estimated revenue) from Thermal Coal;
 - more than 10% of its recent-year revenue (or estimated revenue) from the Manufacture of Civilian Firearms and ammunition; or
- 3) Involvement as identified by an external third-party data provider through corporate ownership, in manufacturing the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon, or cluster munitions and anti-personnel mines.

Investments that are held by the Fund but which breach one of the above exclusionary screens after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable. No minimum reduction rate has been defined in relation to the Fund's scope of investments. However, the Investment Adviser anticipates that the application of the exclusions described above will reduce the scope of the Fund's investment universe by 1 - 5%.

● **What is the policy to assess good governance practices of the investee companies?**

As part of the Fund's holistic approach to ESG, the Investment Adviser of the Fund assesses governance practices of investee companies, including but not limited to looking at the management structures, employee relations, remuneration of staff, and tax compliance of such companies. This is framed by a set of questions applied consistently across companies. Topics include, but are not limited to, management incentives aligned with the long-term interest of shareholders, capital allocation, independent and engaged boards, and transparency of accounting.



Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- turnover

reflecting the share of revenue from green activities of investee companies

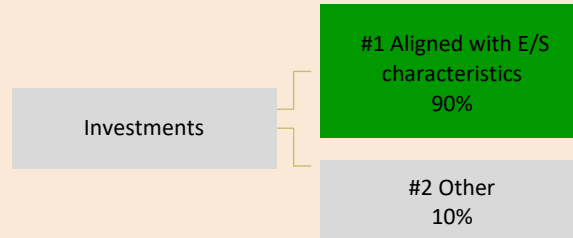
- capital expenditure

(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- operational expenditure

(OpEx) reflecting green operational activities of investee companies

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Category #1 investments (i.e. those aligned with E/S characteristics) comprise all investments that are screened against the Fund's Restriction Screening Policy. Category #2 investments are those investments that are not screened against the Fund's Restriction Screening Policy.

The entirety of the Fund, apart from cash and derivatives held for efficient portfolio management purposes, are screened against the Fund's Restriction Screening Policy. This comprises 90% of the Fund. Accordingly, at least 90% of the Fund are Category #1 investments and the remaining 10% of the Fund (comprising cash and derivatives held for hedging purposes) are Category #2 investments.

These percentages are measured according to the value of the investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable. The Fund does not use any derivatives to attain its environmental or social characteristics.



To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

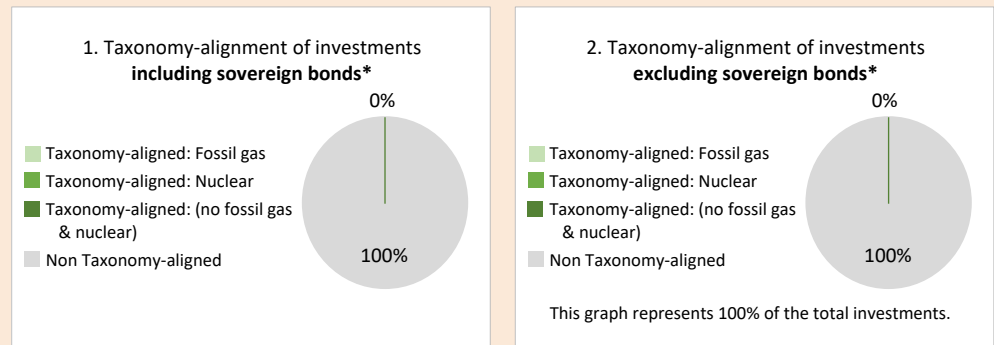
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

- Yes:
 - In fossil gas
 - In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



are sustainable investments with an environmental objective that **do not take into account** the criteria for environment-ally sustainable economic activities under the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Up to 10% of the Fund, comprising cash and derivatives held for efficient portfolio management purposes, are Category “#2 Other” investments. These instruments are not subject to environmental and/or social screening or any minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_asia_opportunity_en.pdf



Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Asian Property Fund

Legal entity identifier:

BZF8P9Z4J7SD7DKO7X90

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the social characteristic of avoiding investments in certain activities which can cause harm to human health and wellbeing or be damaging to social cohesion. The Fund also excludes certain companies which have experienced notable sustainability-related controversies, or which are in violation of international norms.

Further detail on the nature of these exclusions is set out below (in response to the question “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*”).

The Fund has not designated a reference benchmark for the purposes of attaining its social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The application of the exclusionary screens to the Fund’s investments is measured by the percentage of the Fund’s investments which breach the exclusionary screens. The relevant sustainability indicator is therefore that 0% of the Fund’s investments are in violation of the Fund’s exclusionary screens.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

As described under *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?* below, the Fund does not knowingly invest companies that fail to comply with the UN Global Compact or the ILO fundamental principles, unless the Investment Adviser considers that the company is taking appropriate steps for material remediation and improvement. The Fund therefore

considers in part, PAI indicator number 10: violations of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Asian Property Fund's investment objective is to seek long term capital appreciation by investing primarily in equity securities of companies in the real estate industry, or closely related to the real estate industry located throughout Asia and Oceania. The investment process utilizes internal proprietary research to invest in public real estate companies that may offer the best relative value relative to their underlying assets and earnings.

The investment process is subject to regular review, as part of a control and monitoring framework implemented by the Investment Adviser and the Management Company. Morgan Stanley Investment Management's Compliance, Risk and Portfolio Surveillance teams collaborate with investment teams to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives, investment and client guidelines, taking into account changing market conditions, information and strategy developments.

The Investment Adviser utilizes a bottom-up approach, valuing each security within the investment universe to arrive at an estimate of net asset value and forward cash flows. Real estate specific factors, broader equity factors, and environmental, social and governance (ESG) factors (as described further below) are assessed in the fundamental analysis to calculate appropriate valuation metrics. The Investment Adviser also incorporates a top-down approach in the portfolio construction process by integrating several factors which may include forecasted fundamental inflections, macroeconomic considerations, and geopolitical and country risk assessments, to achieve diversified exposure across countries and/or sectors.

In addition to the ESG considerations described in this document on a binding basis, the Fund integrates ESG considerations in the investment decision-making process to support its environmental and social characteristics on a non-binding basis. The Investment Adviser assesses key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third-party ESG providers to assess and quantify ESG performance for issuers, supplementing third-party research with proprietary research conducted by the Investment Adviser including utilizing a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Social and environmental exclusions:

The Fund shall not knowingly invest in any company which derives more than 10% of company revenue from any one of the following activities:

- owning or operating real estate used for for-profit prisons;
- owning or operating real estate used to manufacture cannabis;
- manufacturing or production of tobacco;
- manufacturing or production of coal mining;
- manufacturing or production of controversial weapons and civilian firearms; and
- manufacturing or production of arctic oil and gas.

In addition, the Fund shall not knowingly invest in the following companies:

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- companies that do not have at least one female board member, excluding companies located in Japan.

International norms exclusions:

The Fund shall not knowingly invest in the following companies:

- companies that have experienced a notable sustainability-related controversy related to their operations and/or products, where the severity of the social or environmental impact of the controversy is above a certain threshold based on third party data, unless the Investment Adviser considers that the company is taking appropriate steps for material remediation and improvement; or
- companies that fail to comply with the UN Global Compact or the ILO fundamental principles, unless the Investment Adviser considers that the company is taking appropriate steps for material remediation and improvement.

The above exclusions are implemented in line with the Fund's Restriction Screening and ESG Policy which can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Investment Adviser may apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives and with the environmental or social characteristics that the Fund promotes. Such additional investment restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. No minimum reduction rate has been defined in relation to the Fund's scope of investments.

However, the Investment Adviser anticipates that the application of

- the social exclusions described above will reduce the scope of the Fund's investments by up to 1%; and
- the international norms exclusions described above will reduce the scope of the Fund's investments by up to 1%.

The anticipated reduction figures above are by market capitalisation of the Fund's potential investment universe.

● ***What is the policy to assess good governance practices of the investee companies?***

As part of its bottom-up research process, the Investment Adviser incorporates assessment of an issuer's corporate governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance, in order to ensure that every investee company follows good governance practices.

This is done through the monitoring of data on governance-related, as well as on other environmental and/or social factors and controversies, sourced from third party providers, through in-house research, and through engagement with the management of selected issuers on corporate governance and disclosure issues.



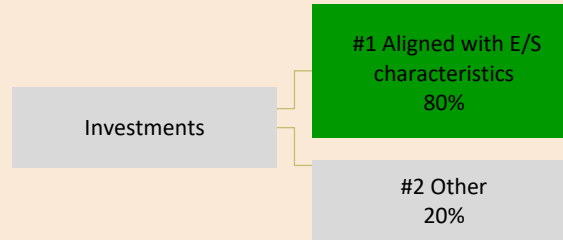
Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

At least 80% of the Fund's investments align with the environmental and social characteristics it promotes, through the application of the above-mentioned exclusions.

A maximum of 20% of the Fund may be invested in hedging and/or cash instruments, which do not align with any environmental or social characteristics.

These percentages are measured according to the value of the investments.

The Fund does not intend to make any sustainable investments within the meaning of the Sustainable Finance Disclosure Regulation ("SFDR").

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund does not use derivatives to attain the environmental or social characteristics which it promotes.



To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035.

For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

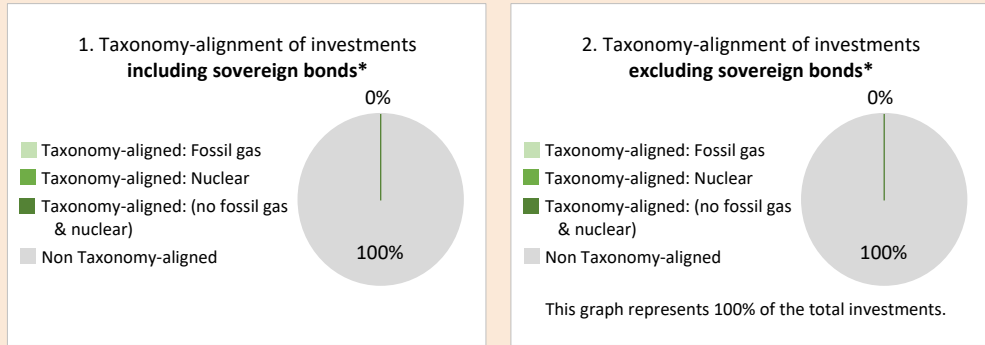
Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

- Yes:
 In fossil gas In nuclear energy
 No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



are sustainable investments with an environmental objective that **do not take into account** the criteria for environment-ally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may make investments in hedging and/or cash instruments. These are included in the “#2 Other” category. These instruments are not subject to environmental and/or social screening or any minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_asianproperty_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
Global Brands Fund

Legal entity identifier:
ZGTXPGVP03JQIVJJ255

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective: ___%**

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: ___%**

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the environmental characteristic of climate change mitigation by excluding investments in: (i) companies with any tie to fossil fuels; and (ii) companies in certain other energy intensive sectors. For the avoidance of any doubt, the Fund does not seek to make investments that contribute to climate change mitigation within the meaning of the EU Taxonomy.

In addition, the Fund considers social characteristics by applying binding exclusions on: (i) companies whose core business activity involves weapons or civilian firearms; and (ii) that have any tie to controversial weapons.

In addition, a proportion of the Fund's investments will be classified as sustainable investments through an assessment comprising three tests, which includes evaluating investee companies' (in respect of this Fund for the purpose of Appendix L each, a "Company", together the "Companies") net a positive alignment with the UN Sustainable Development Goals ("SDGs").

The Fund has not designated a reference benchmark for the purpose of attaining its environmental or social characteristics.

Further details on the binding exclusions applied by the Fund may be found under section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

● *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*

1. Environmental characteristics

Compliance with the environmental exclusionary screens is measured based on the exclusionary criteria and the percentage of the Fund's investments which breach the exclusionary screens.

2. Social characteristics

Compliance with the social exclusionary screens is measured based on the exclusionary criteria and the percentage of the Fund's investments which breach the exclusionary screens.

3. Sustainable investment

The Fund commits to invest a proportion of its assets in Companies classified as sustainable investments. The Fund classifies a Company as a sustainable investment using a framework based on three tests:

- i. **good governance:** this test seeks to ensure that all Companies are considered by the Investment Adviser to follow good governance practices to be included in the Fund's portfolio;
- ii. **do no significant harm ("DNSH"):** this test seeks to ensure that Companies classified as sustainable investments do not cause significant harm to any of the mandatory, SFDR-defined principal adverse impact ("PAI") indicators which are relevant to the Company. This test also seeks to ensure that Companies classified as sustainable investments are aligned with the minimum social safeguards including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights; and

- iii. **positive contribution to environmental or social objective:** this test seeks to ensure that Companies classified as sustainable investments are classified based on their net positive alignment with the UN SDGs (which shall primarily be determined using alignment scores obtained from third party data providers).

Compliance with the sustainable investment commitment is measured by the percentage of the Fund's investments which pass all three tests. A minimum of 10% of the Fund's investments are expected to be invested in Companies classified as sustainable investments.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The positive contribution to environmental or social objective test applied by the Investment Adviser seeks to ensure that Companies classified as sustainable investments are classified based on their net positive alignment with the UN SDGs (which shall primarily be determined using alignment scores obtained from third party data providers). The UN SDGs include environmental (e.g. Climate Action or Life on Land) and social (e.g. Good Health and Well-Being) objectives. The third party data providers' alignment scores indicate whether companies in the providers' coverage universe have a net positive alignment across the UN SDGs, either through their products and services (e.g. a health care company's essential medical products may be positively aligned with the Good Health and Well-Being SDG), or through business practices such as policies, actions and targets aimed at aligning with one or more of the SDGs (e.g. a company with robust carbon reduction plans may align with the Climate Action SDG by reducing its own emissions, switching to renewable energy or by seeking emission reductions in its value chain by engaging with suppliers and/or through product design). More information on the UN SDGs can be found at:

<https://www.undp.org/sustainable-development-goals>. The Investment Adviser recognises that the UN SDGs were written by Governments for Governments and therefore data that seeks to align corporate actions to the SDGs will not be perfectly representative.

The Investment Adviser classifies a Company as having a positive contribution to an environmental or social objective as simultaneously meeting three criteria assessed using third-party data: 1) having a net positive aggregate alignment score across all the SDGs (i.e. scores measuring positive alignment with individual SDGs have to, in total, be greater than the total of any negative alignment scores in the Investment Adviser's view), 2) having sufficient positive alignment (in the Investment Adviser's view) with at least one individual SDG and 3) not having any material mis-alignments on any of the SDGs (in the Investment Adviser's view).

In limited cases, and where it is satisfied that it is appropriate to do so based on its internal analysis (having regard to its engagements with the company or other data sources), the Investment Adviser may treat an investment as failing or passing its sustainable investment criteria, contrary to the position indicated by the third-party SDG alignment score. The Investment Adviser may do this when, for example, it considers the third-party SDG alignment data to be out of date or incorrect based on the Investment Adviser's own engagement efforts or research.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The do no significant harm (“DNSH”) test applied by the Investment Adviser seeks to ensure that Companies classified as sustainable investments do not cause significant harm to any of the mandatory, SFDR-defined principal adverse impact (“PAI”) indicators which are relevant to the Company. This test also seeks to ensure that Companies classified as sustainable investments are aligned with the minimum social safeguards including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

– ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The Fund gains data to assess the PAI indicators (listed below) from third-party providers as well as internal research. The Fund may use reasonable proxies for those PAIs for which the Investment Adviser considers that the data is not widely or reliably available (currently these are the ‘Unadjusted gender pay gap’, ‘Activities negatively affecting biodiversity sensitive areas’ and ‘Emissions to water’ indicators). These proxies will be kept under review and will be replaced by data from third-party data providers, when the Investment Adviser determines that sufficiently reliable data has become available.

PAI indicators:

Investee companies

1. GHG emissions
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact (“UNGC”) and OECD Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with the UNGC and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons

To determine whether significant harm is caused, initial thresholds for each mandatory PAI indicator are generally set in two ways:

- for binary indicators (e.g. ‘Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises’), a binary pass/fail test is applied, based on the data;
- for indicators using quantifiable numerical data (e.g. ‘GHG intensity of investee companies’), the worst performers (based on their relative performance within the broader investable universe, which itself is limited to issuers for which data is available – subject to the exceptions noted below), are deemed to fail the initial test.

For both types of indicators, where data is not available, the investment is deemed to fail the initial test and cannot be regarded as a sustainable investment. However, in cases where the third-party data provider determines that a particular PAI indicator is not meaningful given the nature or the industry of the issuer, and therefore does not provide data on that PAI indicator, the investment is deemed to pass the initial test on the basis

that the investment's activities are unlikely to be causing significant harm to the environmental or social theme covered by that PAI indicator. For example, in the case of software companies with a limited physical presence, the expectation is that their activities are unlikely to have significant negative impacts on water quality, therefore the 'emissions to water' PAI is considered by the third-party provider to be not meaningful for that industry.

Instances in which the third-party data provider determines that a PAI indicator is not meaningful will be kept under periodic review by the Investment Adviser, in case the third-party data provider subsequently deems the PAI indicator meaningful for the issuer (in which case the Investment Adviser will re-assess the issuer against the relevant PAI indicator data).

Additionally, the outcome of the initial test may be supplemented (as appropriate) by the Investment Adviser's internal qualitative assessments on significant harm (having regard to other data sources and/or its engagements with the investment) on one or more PAIs. For example, where the Investment Adviser considers that an issuer is taking appropriate and credible remedial actions to rectify its failings on a PAI, the issuer may still be considered a sustainable investment, subject to the Internal Adviser's ongoing review and tracking of the issuers' remedial actions.

As part of its long-term investment approach, the Investment Adviser also seeks to engage with company management teams and boards to encourage companies towards better ESG practices and to minimise or mitigate the principal adverse impacts of their activities on a materiality basis (i.e. if the Investment Adviser considers a particular PAI indicator to be materially relevant to the long-term sustainability of high returns on capital).

– *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

As part of the Investment Adviser's do no significant harm ("DNSH") test, Companies will not be classified as sustainable investments if they fail to comply with the themes and values promoted by the OECD Guidelines for Multinational Enterprises or the UN Global Compact, or if they lack processes and compliance mechanisms to monitor compliance with the themes and values promoted by these global norms.

In each case, this assessment is based on information obtained from third-party data providers and/or internal assessments.

The Investment Adviser use the OECD Guidelines for Multinational Enterprises and the UN Global Compact as reasonable proxies.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The “do no significant harm” principle applies only to the portion of the Fund’s investments that are sustainable investments.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

All the mandatory PAI indicators in the SFDR rules relevant to the Company are considered by the Investment Adviser (in the manner set out above) for the purposes of classifying some of the Fund’s investments as sustainable investments.

PAIs are also considered with respect to the other investments of the Fund in the following manner:

- the environmental and social characteristics promoted by the Fund incorporate consideration of the following PAIs through binding exclusions:
 - PAI indicator 4: exposure to companies active in the fossil fuel sector;
 - PAI indicator 14: exposure to controversial weapons (using third-party data with a methodology that complies with the Sustainable Finance Disclosure Regulation (“SFDR”) definition);
- engagement and stewardship with issuers across all relevant mandatory PAI indicators in the SFDR rules (except on controversial weapons as they are excluded) on a materiality basis (i.e., if the Investment Adviser considers a particular PAI indicator to be materially relevant to the long-term sustainability of high returns on capital).

The Fund will report on the above matters in the Fund’s periodic report.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund will seek to achieve its investment objective by investing primarily in equity securities of companies in the world's developed countries. The Fund will invest in a concentrated portfolio of companies whose success the Fund believes depends on intangible assets (for example, but not limited to, brand names, copyrights or methods of distribution) underpinning a strong business franchise.

The Fund may also invest, on an ancillary basis in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities to gain exposure to companies in developed and emerging markets, as well as equity securities of emerging market companies and China A-Shares via Stock Connect.

The Fund's investment process focuses on high quality companies with sustainably high returns on operating capital. As an essential and integrated part of the investment process, the Investment Adviser assesses relevant factors material to long-term sustainably high returns on operating capital including ESG factors and seeks to engage with company management teams as part of this.

Subject to the Fund's investment objective and its binding Article 8 characteristics (as explained above), the Investment Adviser retains discretion over which investments are selected for inclusion in the Fund.

The Fund is actively managed by the Investment Adviser on an ongoing basis in accordance with its investment strategy. The investment process is subject to regular review, as part of a control and monitoring framework implemented by the Investment Adviser and the Management Company. The Investment Adviser's Compliance, Risk and Portfolio Surveillance teams collaborate with the portfolio management team of this Fund to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives, investment and client guidelines, taking into account changing market conditions, information and strategy developments.

The environmental and social characteristics promoted by the Fund are incorporated within the investment guidelines and subject to ongoing monitoring by the Investment Adviser. Morgan Stanley Investment Management's Portfolio Surveillance team also codes the investment guidelines into the firm's surveillance system. The Portfolio Surveillance team uses an automated process to monitor adherence to investment guidelines, including pre- and post-trade guideline monitoring and exception-based screening, and informs the portfolio management team of this Fund of any possible guideline violations.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

1. Environmental characteristics

The Fund promotes the environmental characteristic of climate change mitigation by excluding investments in any company that the Investment Adviser determines:

- to have any tie to fossil fuels (such as oil, gas and coal) as classified by the MSCI ESG Business Involvement Screening Research database ("MSCI ESG BISR");
- or any company that has been assigned the following sectors or industries under the MSCI Global Industry Classification Standards ("MSCI GICS"): energy, construction materials, utilities (excluding renewable electricity and water utilities), or metals and mining.

2. Social characteristics

The Fund considers social characteristics by applying the following binding screens:

- the Fund's investments shall not knowingly include any company whose core business activity involves the following, as classified by the MSCI ESG BISR database:
 - a. civilian firearms; or
 - b. weapons.

- the Fund shall also not invest in any company that is defined by the MSCI ESG BISR database to have any tie to controversial weapons.

Investments that are held by the Fund but become restricted because they breach the exclusionary criteria set out above after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the Shareholders of the Fund. The details of the above exclusions can be found in the Fund's exclusion policy which is available on the website (www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im).

Further to the above, the Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

3. Sustainable investments

As noted above, the Fund also commits to invest a proportion of its assets in Companies classified as sustainable investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. No minimum reduction rate has been defined in relation to the Fund's scope of investments.

● ***What is the policy to assess good governance practices of the investee companies?***

All Companies are assessed on their governance, and the investment process is focussed on identifying high quality companies that can sustain their high returns on operating capital over the long term, both for the Fund's sustainable investments and for other investments which are aligned with the Fund's environmental or social characteristics. Effective governance is important and governance criteria are therefore embedded within the investment process and considered as part of initial research and portfolio selection. On-going monitoring is facilitated through engagement with the Company as well as by using, where appropriate, company data, third party data and governance related controversy screens. An investment has to be considered by the Investment Adviser to have good governance to be included within the portfolio.

In addition to meet the EU SFDR regulatory requirements, the Investment Adviser also has regard to third-party proxy indicators as considerations to assess four specific aspects of governance: sound management structures, employee relations, remuneration of staff and tax compliance. All companies in the Fund are assessed against these indicators. The Investment Adviser may include issuers that fail on one or more of these proxy indicators where (i) it considers that the third-party data is inaccurate or out of date; or (ii) it considers that, upon review, the issuer is exhibiting good governance practices overall (such that the results of the proxy indicator tests do not in fact indicate a material impact on good governance). In reaching this determination, the Investment Adviser may take into account any remedial actions being undertaken by the company.

The Investment Adviser also engages with companies on issues material to the sustainability of company returns on operating capital. Direct engagement with companies and boards on material ESG risks and opportunities, and other issues, plays a role in informing the Investment Adviser on the soundness of company management and whether it can maintain high returns on operating capital while growing the business over the long term. Dialogue with companies on engagement topics can be prolonged and require multiple engagements.



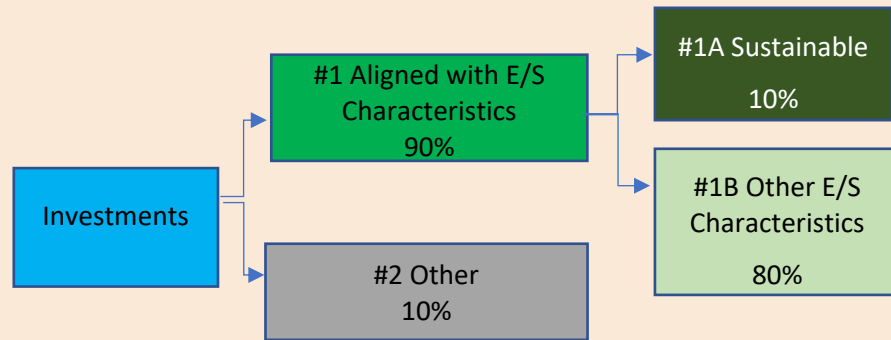
Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The environmental and social exclusions are expected to apply to at least 90% of the portfolio. The Investment Adviser anticipates that the remainder of the Fund will be made up of investments held for ancillary liquidity, including cash and money market instruments, with this proportion not expected to comprise more than 10% of the Fund's assets. No minimum environmental or social safeguards are applied to such investments.

Under exceptional circumstances, the percentage of the Fund's assets that are made up of investments held for ancillary liquidity may temporarily fluctuate above the stated level for certain reasons including but not limited to market conditions or client inflows/outflows.

The Fund also expects a minimum of 10% of its assets to be classified as sustainable investments. Among these, the Fund expects a minimum of 1% of its assets to be classified as sustainable investments with an environmental objective and 1% as sustainable investments with a social objective which can both vary independently at any time.

All percentages are measured according to the value of the investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable – the Fund does not use derivatives to attain its environmental or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable – the Investment Adviser does not take account of the EU Taxonomy in its management of the Fund and as such the Fund’s sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

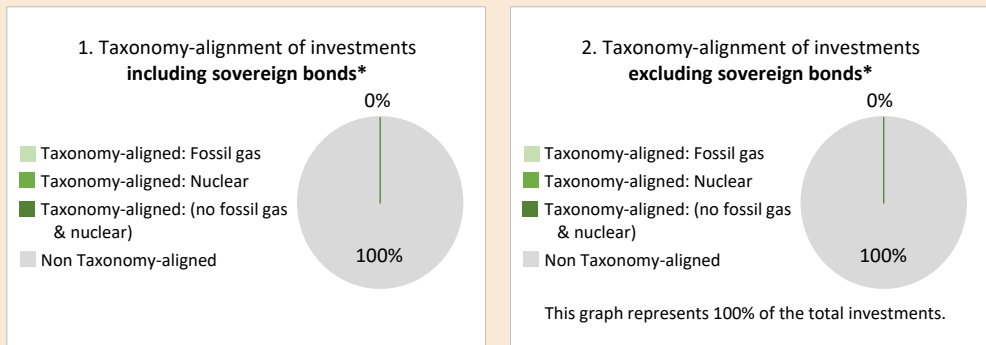
- Yes:
 - In fossil gas In nuclear energy
- No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable – Although the Fund commits to invest in sustainable investments within the meaning of the SFDR, there is no commitment to a minimum share of investments in transitional and enabling activities.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

A minimum of 10% of the Fund's assets are expected to be classified as sustainable investments, as defined under the SFDR. Among these, the Fund expects a minimum of 1% of its assets to be classified as sustainable investments with an environmental objective and 1% as sustainable investments with a social objective which can both vary independently at any time.

The Fund's assets that are classified as sustainable investments with an environmental objective do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy. The EU Taxonomy does not comprehensively cover all industries and sectors, or even all environmental objectives. This financial product invests in Companies classified as sustainable investments within sectors that may not be covered by the EU Taxonomy currently. Accordingly, the Investment Adviser uses its own methodology to determine whether certain investments are environmentally sustainable in accordance with the SFDR sustainable investment test, and then the Investment Adviser invests part of the Fund in such assets.



What is the minimum share of socially sustainable investments?

As noted above, a minimum of 10% of the Fund's assets are expected to be classified as sustainable investments. Among these, the Fund expects a minimum of 1% of its assets to be classified as sustainable investments with an environmental objective and 1% as sustainable investments with a social objective which can both vary independently at any time.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This Fund holds cash and money market instruments for ancillary liquidity. These are included in the “#2 Other” category. No minimum environmental or social safeguards are applied to such investments.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_globalbrands_en.pdf



Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Global Infrastructure Fund

Legal entity identifier:

549300FCWN1WWNKTBN70

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

It will make a minimum of **sustainable investments with an environmental objective:** ___%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** ___%

No

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the social characteristic of avoiding investments in certain activities which can cause harm to human health and wellbeing or be damaging to social cohesion. The Fund also excludes certain companies which have experienced notable sustainability-related controversies, or which are in violation of international norms.

Further detail on the nature of these exclusions is set out below (in response to the question “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”).

The Fund has not designated a reference benchmark for the purposes of attaining its social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The application of the exclusionary screens to the Fund’s investments is measured by the percentage of the Fund’s investments which breach the exclusionary screens. The relevant sustainability indicator is therefore that 0% of the Fund’s investments are in violation of the Fund’s exclusionary screens.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

As described under *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?* below, the Fund does not knowingly invest companies that fail to comply with the UN Global Compact or the ILO fundamental principles, unless the Investment Adviser considers that the company is taking appropriate steps for material remediation and improvement. The Fund therefore considers in part, PAI indicator number 10: violations of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.



What investment strategy does this financial product follow?

The Global Infrastructure Fund's investment objective is to seek to provide long term capital appreciation by investing primarily in equity securities issued by companies, for the avoidance of doubt including closed-end Real Estate Investment Trusts (REITS), Located throughout the world that are engaged in the infrastructure business.

The investment process is subject to regular review, as part of a control and monitoring framework implemented by the Investment Adviser and the Management Company. Morgan Stanley Investment Management's Compliance, Risk and Portfolio Surveillance teams collaborate with investment teams to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives, investment and client guidelines, taking into account changing market conditions, information and strategy developments.

In addition to the ESG considerations described in this document on a binding basis, the Fund integrates ESG considerations in the investment decision-making process to support its environmental and social characteristics on a non-binding basis. The Investment Adviser assesses key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third-party ESG providers to assess and quantify ESG performance for issuers, supplementing third-party research with proprietary research conducted by the Investment Adviser including utilizing a framework for evaluating and assessing risks and opportunities related to ESG which are incorporated into the team's company analysis, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.

● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

Social exclusions:

The Fund shall not knowingly invest in any company which derives more than 10% of company revenue from any one of the following activities:

- manufacturing or production of tobacco;
- manufacturing or production of controversial weapons and civilian firearms;

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- operating gambling activity; and
- operating adult entertainment

In addition, the Fund shall not knowingly invest in the following companies:

- companies that do not have at least one female board member.

International norms exclusions:

The Fund shall not knowingly invest in the following companies:

- companies that have experienced a notable sustainability-related controversy related to their operations and/or products, where the severity of the social or environmental impact of the controversy is above a certain threshold based on third party data, unless the Investment Adviser considers that the company is taking appropriate steps for material remediation and improvement; or
- companies that fail to comply with the UN Global Compact or the ILO fundamental principles, unless the Investment Adviser considers that the company is taking appropriate steps for material remediation and improvement.

The above exclusions are implemented in line with the Fund's Restriction Screening and ESG Policy which can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Investment Adviser may apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives and with the environmental or social characteristics that the Fund promotes. Such additional investment restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. No minimum reduction rate has been defined in relation to the Fund's scope of investments.

However, the Investment Adviser anticipates that the application of the international norms exclusions described above will reduce the scope of the Fund's investments by up to 1%. Additionally, the social exclusions described above will reduce the scope of the Fund's investments by up to 1%

The anticipated reduction figures above are by market capitalisation of the Fund's potential investment universe.

● ***What is the policy to assess good governance practices of the investee companies?***

As part of its bottom-up research process, the Investment Adviser incorporates assessment of an issuer's corporate governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance, in order to ensure that every investee company follows good governance practices.

This is done through the monitoring of data on governance-related, as well as on other environmental and/or social factors and controversies, sourced from third party providers, through in-house research, and through engagement with the management of selected issuers on corporate governance and disclosure issues.

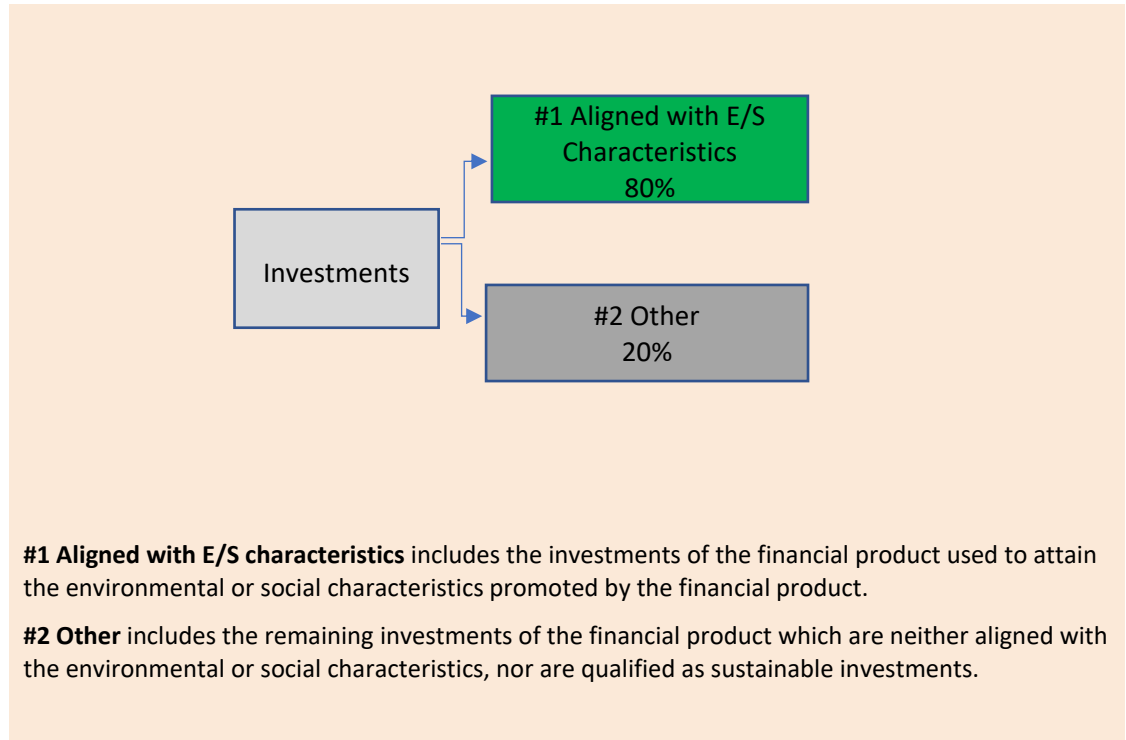


Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies

What is the asset allocation planned for this financial product?



At least 80% of the Fund’s investments align with the environmental and social characteristics it promotes, through the application of the above-mentioned exclusions.

A maximum of 20% of the Fund may be invested in hedging and/or cash instruments, which do not align with any environmental or social characteristics.

These percentages are measured according to the value of the investments.

The Fund does not intend to make any sustainable investments within the meaning of the Sustainable Finance Disclosure Regulation (“SFDR”).

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund does not use derivatives to attain the environmental or social characteristics which it promotes.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

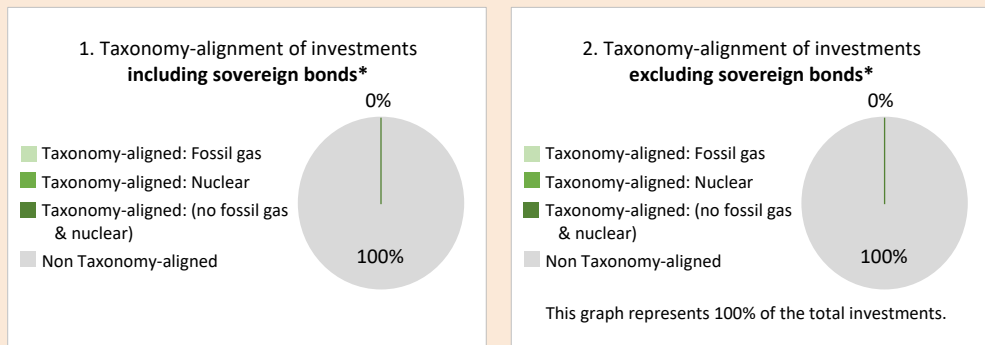
- Yes:
 - In fossil gas In nuclear energy
- No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may make investments in hedging and/or cash instruments. These are included in the “#2 Other” category. These instruments are not subject to environmental and/or social screening or any minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_globalinfrastructure_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
Global Opportunity Fund

Legal entity identifier:
5493000BFE8KBAX1S309

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the following environmental and social characteristics:

- the Fund promotes the environmental characteristic of limiting environmental externalities by excluding investments in coal; and
- the Fund promotes the social characteristic of avoiding investments in certain activities which can cause harm to human health and wellbeing, including tobacco and certain weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

These exclusions are implemented in line with the Fund's Restriction Screening Policy, which can be found on www.morganstanley.com/im at https://www.morganstanley.com/im/publication/msinvf/material/rsp_msinvf_counterpointglobal_en.pdf.

Further detail on the nature of these exclusions is set out below (in response to the question "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator is the percentage of companies in the Fund which breach the exclusionary screens. The sustainability indicator will therefore be that 0% of the Fund's investments are in violation of the Fund's Restriction Screening Policy.

Compliance with the exclusions is monitored on an ongoing basis through an automated process, comprising pre- and post-trade guideline monitoring and exception-based screening.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The “do no significant harm” principle applies only to the portion of the Fund’s investments that are sustainable investments.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

The Fund considers principal adverse impacts (“PAI”) on sustainability factors only in part, as follows:

- The Fund excludes issuers which receive a certain percentage of their revenue from coal mining and extraction. The Fund therefore partly considers the PAI indicator (4) exposure to companies active in the fossil fuel sector.
- The Fund excludes issuers which are involved in manufacturing the core weapon system of cluster munitions and anti-personnel mines. The Fund therefore partly considers the PAI indicator (14) exposure to controversial weapons.

Where the Investment Adviser considers the following PAI indicators to be materially relevant to, or impacted by, the activities of the issuer, it will also consider the following PAIs on sustainability factors. This will be done by the Investment Advisor (a) integrating ESG analysis within the research process and/or (b) engaging with management of investee companies. The PAIs considered are the following:

- PAI indicator (1): Greenhouse gas emissions (GHG);
- PAI indicator (2): Carbon footprint;
- PAI indicator (3): GHG intensity;
- PAI indicator (5): Non-Renewable energy consumption and production; and
- PAI indicator (6): Energy consumption intensity per high impact climate sector.

As a result, the Fund contributes to mitigating the Fund's adverse impacts on these sustainability factors.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund seeks long-term capital appreciation by investing globally in high quality established and emerging companies that the investment team believes are undervalued at the time of purchase. To achieve its objective, the investment team typically favors companies it believes have sustainable competitive advantages that can be monetized through growth. The investment process integrates analysis of sustainability with respect to disruptive change, financial strength, environmental and social externalities and governance (also referred to as ESG)

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Binding restriction screens are applied to the Fund to restrict investments in corporate issuers whose industry classification or core business activity, determined in accordance with the methodology set out below, involves:

- Tobacco;
- Coal; or
- Weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The methodology used to determine industry classification or core business activity for the purpose of the above-described screening is as follows:

- 1) Global Industry Classification Standard (GICS) Sub-Industry is Tobacco or Coal & Consumable Fuels;
- 2) Revenue (as defined by external third-party data):
 - more than 5% of its recent-year revenue (or estimated revenue) from Tobacco;
 - more than 10% of its recent-year revenue (or estimated revenue) from Thermal Coal;
 - more than 10% of its recent-year revenue (or estimated revenue) from the Manufacture of Civilian Firearms and ammunition; or
- 3) Involvement as identified by an external third-party data provider through corporate ownership, in manufacturing the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon, or cluster munitions and anti-personnel mines.

Investments that are held by the Fund but which breach one of the above exclusionary screens after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable. No minimum reduction rate has been defined in relation to the Fund’s scope of investments. However, the Investment Adviser anticipates that the application of the exclusions described above will reduce the scope of the Fund’s investment universe by 1 - 5%.

● **What is the policy to assess good governance practices of the investee companies?**

As part of the Fund’s holistic approach to ESG, the Investment Adviser of the Fund assesses governance practices of investee companies, including but not limited to looking at the management structures, employee relations, remuneration of staff, and tax compliance of such companies. This is framed by a set of questions applied consistently across companies. Topics include, but are not limited to, management incentives aligned with the long-term interest of shareholders, capital allocation, independent and engaged boards, and transparency of accounting.

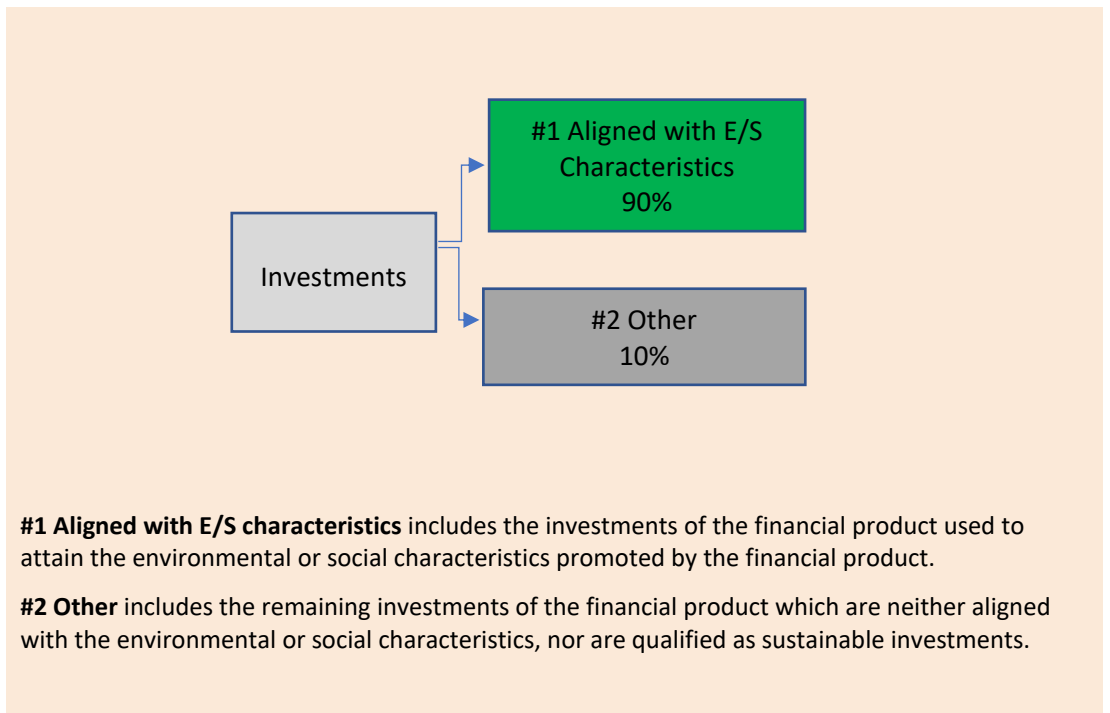


Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Category #1 investments (i.e. those aligned with E/S characteristics) comprise all investments that are screened against the Fund’s Restriction Screening Policy. Category #2 investments are those investments that are not screened against the Fund’s Restriction Screening Policy.

The entirety of the Fund, apart from cash and derivatives held for efficient portfolio management purposes, are screened against the Fund’s Restriction Screening Policy. This comprises 90% of the Fund. Accordingly, at least 90% of the Fund are Category #1 investments and the remaining 10% of the Fund (comprising cash and derivatives held for hedging purposes) are Category #2 investments.

These percentages are measured according to the value of the investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable. The Fund does not use any derivatives to attain its environmental or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

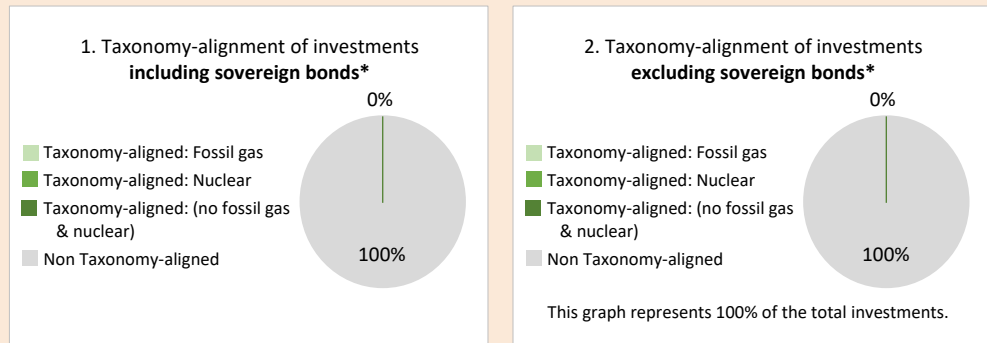
- Yes:
 In fossil gas In nuclear energy
 No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Up to 10% of the Fund, comprising cash and derivatives held for efficient portfolio management purposes, are Category “#2 Other” investments. These instruments are not subject to environmental and/or social screening or any minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_globalopportunity_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

NextGen Emerging Markets Fund

Legal entity identifier:

5493005TO95BBNXCKP66

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective: ___%**

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: ___%**

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

Firstly, the Fund promotes the environmental characteristic of contributing towards climate change mitigation by seeking to achieve a lower carbon footprint than the MSCI Frontier Emerging Markets Index in aggregate at the portfolio level.

Secondly, the Fund avoids investments in certain industries with the potential to cause harm to the environmental and to human health and wellbeing, such as tobacco and weapons, by applying binding exclusions. Further detail on the nature of these exclusions is set out below (in response to the question, “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*”).

Additional detail with respect to these exclusions is set out in response to the question “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*” below.

The Fund does not use a reference benchmark to attain its environmental or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

Objective	Sustainability indicators
1. ESG exclusions	The application of the exclusionary screens to the Fund’s investments is measured by the percentage of the Fund’s investments which breach the exclusionary screens. The relevant sustainability indicator is therefore that 0% of the Fund’s investments are in violation of the Fund’s exclusionary screens.
2. Lower carbon footprint than MSCI Frontier Emerging Markets Index at an aggregate portfolio level	Weighted Average Carbon Intensity of portfolio compared against MSCI Frontier Emerging Markets Index.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

The Fund considers some of the principal adverse impacts (“PAI”) on sustainability factors through the Fund’s exclusionary criteria as follows:

- The Fund excludes issuers whose core business is in thermal coal mining and extraction, thermal coal power generation and fossil fuels. The Fund therefore partly considers PAI indicator number 4: exposure to companies active in the fossil fuel sector.
- The Fund excludes issuers which derive any revenue from controversial weapons manufacturing or retail. The Fund therefore considers PAI indicator number 14: exposure to controversial weapons.
- The Fund excludes issuers which have committed violations of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, or the ILO Fundamental Principles, or which have experienced very severe controversies relating to violations of the OECD Guidelines for Multinational Enterprises. The Fund therefore considers PAI indicator number 10: violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

Lastly, the Fund considers engagement and stewardship with issuers across all relevant mandatory PAI indicators in the SFDR rules on a materiality basis (i.e., if the Investment Adviser considers a particular PAI indicator to be materially relevant to, or impacted by, the activities of the issuer).

The Fund will make information available on how it has incorporated the PAIs in its periodic reports to investors.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The NextGen Emerging Markets Fund's investment objective is to seek long-term capital appreciation, measured in Euro, by investing primarily in equity securities of "NextGen" issuers, including depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs)), "NextGen" issuers being defined as 1) issuers Located in emerging market countries, including frontier market countries, which are determined based on classification in the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index, or 2) issuers Located in upcoming developing markets outside the "mainstream" emerging markets, whose capital markets have traditionally been overlooked by foreign investors or are in early stages of capital market and/or economic development. These are countries that are not part of the MSCI Emerging Markets Net Index or MSCI Frontier Emerging Markets Index, that the International Monetary Fund, the United Nations or the World Bank generally consider to be less economically mature than developed nations. The Fund may invest in the countries under 2) provided that the markets of these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the Law of 17 December 2010 on undertakings for collective investment.

Subject to the Fund's investment objective and its binding Article 8 characteristics (as explained above), the investment team retains discretion over which investments are selected for inclusion in the Fund.

The Fund is actively managed by the Investment Adviser on an ongoing basis in accordance with its investment strategy. The investment process is subject to regular review, as part of a control and monitoring framework implemented by the Investment Adviser and the Management Company. The Investment Adviser's Compliance, Risk and Portfolio Surveillance teams collaborate with the investment team to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives, investment and client guidelines, taking into account changing market conditions, information and strategy developments.

In addition to the ESG considerations described in this summary on a binding basis, the Fund integrates ESG considerations in the investment decision-making process to support its environmental and social characteristics on a non-binding basis, based on the Investment Adviser's in-house research and methodologies and on third-party data.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The Fund promotes the environmental characteristic of contributing towards climate change mitigation by seeking to achieve a lower carbon footprint than the MSCI Frontier Emerging Markets Index in aggregate at the portfolio level.

ESG exclusions: The Fund avoids investments in certain industries with the potential to cause harm to the Fund's environmental and social characteristics by applying binding exclusions, detailed in and implemented in line with the Fund's Restriction Screening and ESG Policy, available on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

In particular, the Fund excludes investments in the following:

- (i) companies whose core business is fossil fuels, thermal coal mining extraction, thermal coal-based power generation, adult entertainment or tobacco;
- (ii) companies with more than 5% revenue from Arctic oil and gas, oil sands, and gambling; and
- (iii) companies with any exposure to civilian firearms or controversial weapons.

In addition, the Fund also excludes investments in the following:

- (i) the universe's highest carbon emitters (top 20 emitters for absolute emissions and top 40 emitters for emissions intensity); and
- (ii) state-owned enterprises (SOEs) in all sectors in the Emerging or Frontier Emerging Markets indices, given the frequent misalignment of governance with shareholder interests. The

Investment Adviser defines state owned enterprise as 35% state ownership. Please note the Fund may invest in certain SOEs (a) in the financials, health care or communication services sector category or (b) if, in the view of the Investment Adviser, the issuer in question can demonstrate strong ESG performance or material improvement on ESG matters.

- (iii) The utilities sector ex renewables and water, and the construction materials industry as defined by MSCI Global Industry Classification System (GICS).

Carbon footprint: the Fund seeks to achieve a lower carbon footprint than the MSCI Frontier Emerging Markets Index in aggregate at the portfolio level.

Investments that are held by the Fund but become restricted because they breach the investment restrictions set out above after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, considering the best interests of the Shareholders of the Fund. The details of the above exclusions can be found in the Fund's exclusion policy which is available on the Company's website www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

Further to the above, the Investment Adviser may, in its discretion, elect to apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives. Such additional restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund commits to a 20% or more reduction of the investible universe (achieved through the binding exclusions described in response to the previous question), prior to sourcing potential investments.

- ***What is the policy to assess good governance practices of the investee companies?***

All investee companies within the Fund are assessed on their governance which is embedded in the investment process and considered as part of initial research and stock selection. The team also engages with companies and boards directly on issues material to governance, among other issues. An investment has to be considered by the Investment Advisor to have good governance to be included within the portfolio.

As an input to its governance assessment, the investment team has also chosen several third-party binary (pass/fail) proxy indicators to assess issuer management structures, employee relations, remuneration of staff and tax compliance, to the extent they are covered by third party providers. In the event that an issuer fails under one of these proxy indicators, the default position is that the issuer will be excluded from the Fund. The Investment Adviser may include issuers that fail on one or more of these proxy indicators where (i) it considers that the third party data is inaccurate or out of date; or (ii) it considers that, upon review, the issuer is exhibiting good governance practices overall (such that the results of the proxy indicator tests do not in fact indicate a material impact on good governance). In reaching this determination, the Investment Adviser may take into account any remedial actions being undertaken by the company.



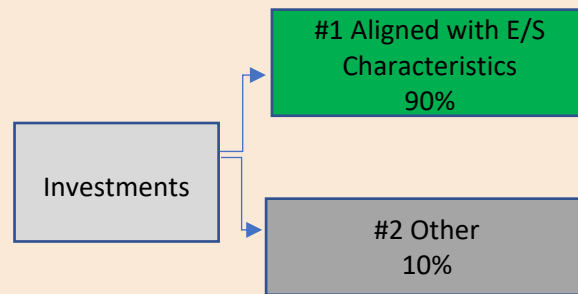
Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

As explained above, the Fund's aim to maintain a lower carbon footprint than the MSCI Emerging Markets Index is applied at a portfolio level (and not at the level of individual holdings, some of which may on an individual basis have a higher carbon intensity than the portfolio level average or target).

The remaining 10% of the Fund's investments will not be aligned with E/S characteristics. The Fund does not intend to make any sustainable investments within the meaning of the Sustainable Finance Disclosure Regulation ("SFDR").

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable – the Fund does not use derivatives to attain its environmental or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

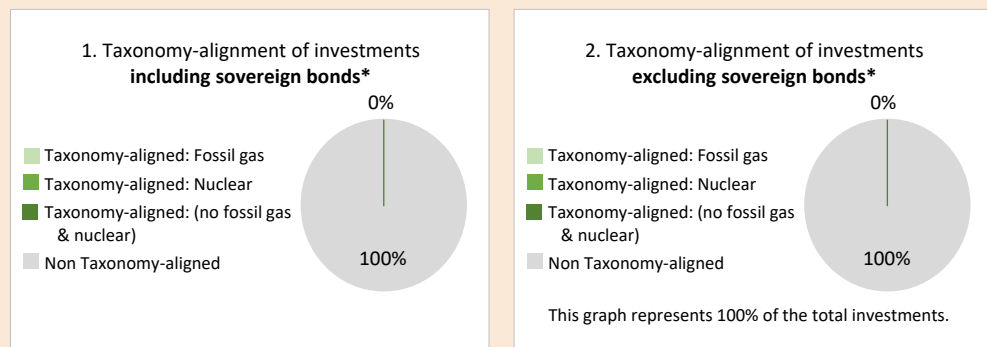
- Yes:
 In fossil gas In nuclear energy
 No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The “#2 Other” category is expected to be made up of (i) companies where an ESG materiality assessment and/or a dedicated company engagement to supplement data points has not yet been completed, (ii) hedging instruments and/or (iii) cash held for ancillary liquidity. These investments are not subject to minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_nextgenemergingmarkets_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Sustainable Emerging Markets Equity Fund

Legal entity identifier:

T65E8GUF6U708NUAP89

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

It will make a minimum of **sustainable investments with an environmental objective:** ___%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** ___%

No

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics in the following ways.

Firstly, a minimum of 40% of the Fund's portfolio is thematically aligned towards sustainable development in one of the Investment Adviser's chosen environmental and social sub-themes, which may include but are not limited to:

- responsible energy;
- sustainable production and circular economy;
- decent work and innovation; and
- access, affordability, and sustainable economic growth.

The Fund may add new themes relating to environmental and social development as validated and supported by additional sustainable metrics, in which case updates shall be made to relevant disclosures.

Secondly, the Fund avoids investments in certain industries with the potential to cause harm to the environmental and social characteristics described above by applying binding exclusions. Further detail on the nature of these exclusions is set out below (in response to the question, "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?").

Thirdly, having regard to the low carbon aims of the Paris Agreement the Fund promotes the environmental characteristic of contributing towards climate change mitigation by seeking to achieve a lower carbon footprint than the MSCI Emerging Markets Index in aggregate at the portfolio level.

Finally, the Fund invests a minimum of 20% of its portfolio in sustainable investments.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Objective	Sustainability indicators
1. Thematic alignment to sustainable development	The Investment Adviser will seek to ensure that a minimum of 40% of the Fund's assets are invested in the Investment Adviser's chosen environmental and social sub-themes. The relevant criteria and sustainability indicators differ by sub-theme and include metrics such as revenue alignment, waste recycled and average wages. Please see What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product? below for details on the sustainability indicators that are used.
4. ESG exclusions	The application of the exclusionary screens to the Fund's investments is measured by the percentage of the Fund's investments which breach the exclusionary screens. The relevant sustainability indicator is therefore that 0% of the Fund's investments are in violation of the Fund's exclusionary screens.

5. Lower carbon footprint than the MSCI Emerging Markets Index at an aggregate portfolio level	Weighted Average Carbon Intensity of portfolio compared against the MSCI Emerging Markets Index
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● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The sustainable investments made by the fund will contribute to at least one of the environmental or social sub-themes listed above. The Investment Adviser uses metrics to ensure that the sustainable investments contribute to at least one of these themes, for example:

- (i) by considering quantifiable positive metrics such as aligned revenues (being revenues from activities aligned with a theme, e.g. revenues from renewable energy generation in the case of the responsible energy theme) and aligned business activities; and
- (ii) other relevant metrics such as (but not limited to) third party scores derived from activities aligned with sustainable development goals, Transitions Performance Index (“TPI”) scores, above average wages, employee retention rates, research and development spend, international sales or private label sales (as indicators of investment in local economic growth and quality employment opportunities), and diversity metrics.

Each metric has a threshold or benchmark that the company must meet in order to be considered aligned with a sustainability theme, e.g. at least 20% for aligned revenues or above country or industry averages on other metrics. Further detail regarding the relevant metrics for each sub-theme is set out under What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product? below.

We obtain data on these metrics from company reporting and third party sources.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The Fund’s sustainable investments aim not to cause significant harm to any relevant environmental or social objectives by screening investments for: (i) minimum social safeguards and (ii) Principal Adverse Impact (“PAI”) indicator screens. Companies that pass both data screens, and have a measurable positive contribution to environmental or social objectives are considered sustainable investments.

With respect to the PAI screen, the Investment Adviser considers all mandatory PAI indicators that are relevant to the investment. The Investment Adviser uses all available data sources including company reported and third party vendors and have thresholds for each PAI indicator.

– **How have the indicators for adverse impacts on sustainability factors been taken into account?**

As part of the do no significant harm test for sustainable investments, the Fund assesses the mandatory PAI indicators (listed below) that are (i) relevant to the investment, and (ii) deemed material to a particular issuer, based on third party data providers’ assessment of materiality.

PAI indicators:

Investee companies

1. GHG emissions

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

2. Carbon Footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact and OECD
11. Lack of processes and compliance mechanisms to monitor compliance with the UNGC and OECD
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons

Companies with more than two missing PAI indicator data points will not be considered sustainable investments due to lack of data.

For each mandatory PAI the Fund sets thresholds specific to that PAI to determine whether significant harm is caused.

PAI indicators are sourced from company reported data, third-party data and the investment team's engagements with company management. The Investment Adviser will use third party information, but may supplement individual data points based on company engagements or company websites.

The Investment Adviser may use reasonable proxy indicators sourced from third parties to address the current lack of data for certain PAI indicators. The Investment Adviser's use of proxy indicators will be kept under review and will be replaced by PAI data from third-party data providers, when the Investment Adviser determines that sufficiently reliable data has become available.

– *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's investments are screened for minimum social safeguards, before going through the PAI screen described above.

The Investment Adviser uses third party data sources to undertake minimum social safeguards screening. The screening undertaken includes identification of companies which are subject to UNGC and OECD controversy and compliance flags, as well as flags for compliance with international norms. In addition, the Fund excludes investments in issuers that fail to comply with the UN Global Compact, or the OECD Guidelines for Multinational Enterprises.

Details on the screening approach are provided in the Fund's Restriction Screening and ESG Policy, available on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The “do no significant harm” principle applies only to the portion of the Fund’s investments that are sustainable investments.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

The Fund considers all of the mandatory PAI indicators on sustainability factors which are relevant to the investment for the portion allocated to sustainable investments, as described above. The portion of the Fund that is not made of sustainable investments considers certain PAI through the Fund’s exclusionary criteria as follows:

- The Fund excludes issuers whose core business is in thermal coal mining and extraction, thermal coal power generation and fossil fuels. The Fund therefore partly considers PAI indicator number 4: exposure to companies active in the fossil fuel sector.
- The Fund excludes issuers which derive any revenue from controversial weapons manufacturing or retail. The Fund therefore considers PAI indicator number 14: exposure to controversial weapons.
- The Fund excludes issuers which have committed violations of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, or the ILO Fundamental Principles, or which have experienced very severe controversies relating to violations of the OECD Guidelines for Multinational Enterprises. The Fund therefore considers PAI indicator number 10: violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

Lastly, the Fund considers engagement and stewardship with issuers across all relevant mandatory PAI indicators in the SFDR rules on a materiality basis, meaning if the Investment Adviser considers a particular PAI indicator to be materially relevant to, or impacted by, the activities of the issuer, the Investment Adviser will engage on that PAI.

The Fund will make information available on how it has incorporated the PAIs in its periodic reports to investors.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Sustainable Emerging Markets Equity Fund’s investment objective is to seek to maximise total return, measured in US Dollars, through investment primarily in emerging market country equity securities. The fund uses a top down country allocation and bottom up stock selection process to select investments.

The investment process is subject to regular review, as part of a control and monitoring framework implemented by the Investment Adviser and the Management Company. Morgan Stanley Investment Management’s Compliance, Risk and Portfolio Surveillance teams collaborate with the investment teams to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives, investment and client guidelines, taking into account changing market conditions, information and strategy developments.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Thematic alignment to sustainable development: The Fund commits to having a minimum 40% of the portfolio thematically aligned to sustainable development in chosen sub-themes, using the metrics below.

Sub-theme	Description	Metrics
Responsible Energy Transition	Companies that are enabling the transition, or companies in high-emitting sectors with Paris Aligned decarbonization pathways	<p>Aligned Revenues >20% from renewable energy products and services and/or energy efficiency products or services, or enabling materials or technology or TPI Score 3 or above. TPI evaluates companies’ climate actions and assigns a score from 0-4 with 4 being the highest. The Investment Adviser uses TPI scores as a proxy for evaluating a company’s energy transition progress in addition to its active engagements with companies. A TPI score of 3 or 4 signifies that the company is managing the risks and opportunities relating to the transition to a low carbon economy.</p> <p>The fund may also use third-party (such as MSCI or ISS) scores derived from activities aligned with sustainable development goals to determine thematic alignment.</p>

Sustainable Production & Circular Economy	Companies that are either integrating circular economy practices as a core part of their businesses or whose products and services align with circular economies, improve recycling infrastructure, waste management processes, sustainable materials sourcing and/or sustainable packaging	<p>Aligned revenues >20% from renewable and/or recyclable products or services, or operational alignment of >50% of waste recycled, recycled materials or water recycled.</p> <p>The fund may also use third-party (such as MSCI or ISS) scores derived from activities aligned with sustainable development goals to determine thematic alignment.</p>
Improved Access, Affordability & Sustainable Economic Growth	Companies with a business model which increases access to and affordability of goods and services, such as food, medicines, health care, banking, insurance, and education. Such companies help foster increased productivity and quality of life for individuals. Increasing productivity is a key driver of real income growth and sustainable economic growth.	<p>Aligned revenues >20% from affordable and/or equitable financial services; affordable and/or equitable food and/or fast moving consumer goods (FMCG);</p> <p>affordable and/ or equitable health care goods and services and/or basic services such as telecommunications, sanitation, water etc and/or operational alignment above country average from financial inclusion and healthcare access.</p> <p>The fund may also use third-party (such as MSCI or ISS) scores derived from activities aligned with sustainable development goals to determine thematic alignment.</p>
Decent Work & Innovation	Companies which are creating high quality jobs, developing human capital, and investing in research and development and innovation. Private sector job creation is critical driver of sustainable economic growth, and social development. Innovation and globally competitive corporates are key drivers of productivity growth and sustainable income growth for a country overall.	<p>Operational alignment as measured by average monthly wage above country living wage, or turnover rate below industry average, or % women in middle/senior management above country average</p> <p>or Research & Development expenditures/sales above 3% or International sales above 35%.</p> <p>The fund may also use third-party (such as MSCI or ISS) scores derived from activities aligned with sustainable development goals to determine thematic alignment.</p>

Each metric has a threshold or benchmark that the company must meet in order to be considered aligned with a sustainability theme, e.g. at least 20% for aligned revenues or above industry or country averages on other metrics. The Investment Adviser may also add metrics should new industries be added that are not currently covered.

ESG exclusions: The Fund avoids investments in certain industries with the potential to cause harm to the Fund's environmental and social characteristics by applying binding exclusions, detailed in the Fund's Restriction Screening and ESG Policy, available on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

In particular, the Fund excludes investments in the following:

- (i) companies whose core business is fossil fuels, thermal coal mining extraction, thermal coal-based power generation, adult entertainment, tobacco or alcohol;
- (ii) companies with more than 5% revenue from Arctic oil and gas, oil sands, and gambling; and
- (iii) companies with any exposure to civilian firearms or controversial weapons.

In addition, the Fund also excludes investments in the following:

- (i) the MSCI EM index's highest carbon emitters (top 20 emitters for absolute emissions and top 80 emitters for emissions intensity); and
- (ii) state-owned enterprises (SOEs) in all sectors in emerging markets, given the frequent misalignment of governance with shareholder interests. The Investment Adviser defines state owned enterprise as 35% state ownership. Please note the Fund may invest in certain SOEs (a) in the financials, health care or communication services sector category or (b) if, in the view of the Investment Adviser, the issuer in question can demonstrate strong ESG performance or material improvement on ESG matters.

These exclusions are implemented in line with the Fund's Restriction Screening and ESG Policy, available on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Investment Adviser may apply additional ESG-related investment restrictions over time that it believes are consistent with the Fund's investment objectives and its environmental and social characteristics. Such additional investment restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

Carbon footprint: the Fund seeks to achieve a lower carbon footprint than the MSCI Emerging Markets Index in aggregate at the portfolio level.

Sustainable investments: The Fund also invests a minimum of 20% of its portfolio in companies defined as sustainable investments, which are aligned with the sustainability themes described above in response to the question "What environmental and/or social characteristics are promoted by this financial product?", and which the Investment Adviser has determined to do no significant harm to any relevant environmental or social objectives as described above.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund commits to a 20% or more reduction of the investible universe (achieved through the binding exclusions described in response to the previous question), prior to sourcing potential investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

All investee companies within the Fund are assessed on their governance which is embedded in the investment process and considered as part of initial research and stock selection. The team also engages with companies and boards directly on issues material to governance, among other issues. An investment has to be considered by the Investment Advisor to have good governance to be included within the portfolio.

As an input to its governance assessment, the investment team has also chosen several third-party binary (pass/fail) proxy indicators to assess issuer management structures, employee relations, the remuneration of staff and tax compliance, to the extent they are covered by third party providers. In the event that an issuer fails under one of these proxy indicators, the default position is that the issuer will be excluded from the Fund. The Investment Adviser may include issuers that fail on one or more of these proxy indicators where (i) it considers that the third party data is inaccurate or out of date; or (ii) it considers that, upon review, the issuer is exhibiting good governance practices overall (such that the results of the proxy indicator tests do not in fact indicate a material impact on good governance). In reaching this determination, the Investment Adviser may take into account any remedial actions being undertaken by the company.

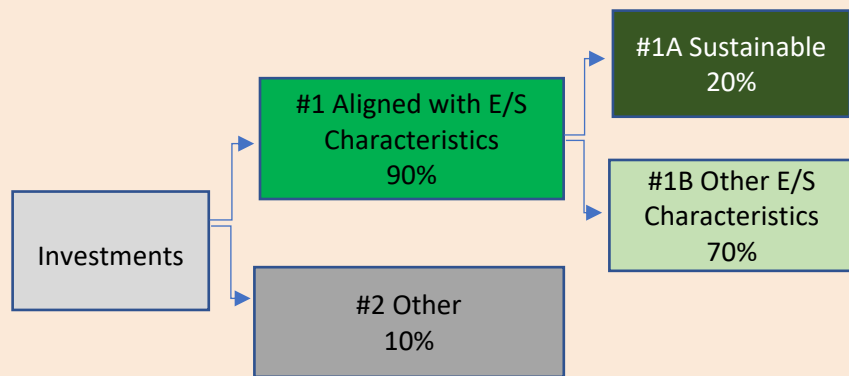


Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

A minimum of 90% of the Fund’s investments will be aligned with environmental and social characteristics; this includes the Fund’s 40% investments aligned with sustainable themes. The Fund will allocate a minimum of 20% of its assets to sustainable investments. Among these, the Fund commits to make 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time.

As explained above, the Fund’s aim to maintain a lower carbon footprint than the MSCI AC Asia Ex Japan Index is applied at a portfolio level (and not at the level of individual holdings, some of

which may on an individual basis have a higher carbon intensity than the portfolio level average or target).

The remaining 10% of the Fund’s investments will not be aligned with E/S characteristics.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable – the Investment Adviser does not take account of the EU Taxonomy in its management of the Fund and as such the Fund’s sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

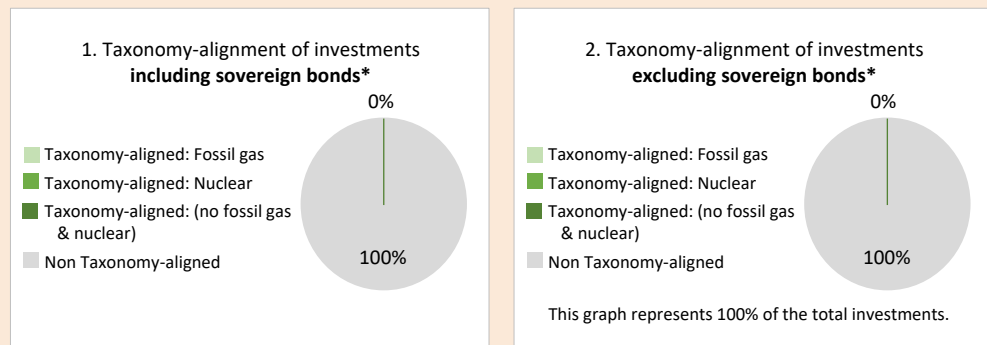
- Yes:
 - In fossil gas
 - In nuclear energy
- No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



** For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.*

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable - Although the Fund commits to invest in sustainable investments within the meaning of the SFDR, there is no commitment to a minimum share of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund intends to make a minimum of 20% of sustainable investments, as defined under the SFDR. Among these, the Fund commits to make a minimum of 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time. These sustainable investments will represent at least 20% of the portfolio holdings on an aggregated basis.

The Fund's sustainable investments with an environmental objective do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy. The EU Taxonomy does not comprehensively cover all industries and sectors, or even all environmental objectives. Accordingly, the Investment Adviser uses its own methodology to determine whether certain investments are sustainable in accordance with the Sustainable Finance Disclosure Regulation ("SFDR") sustainable investment test, and then partly invests in the Fund in such assets.



What is the minimum share of socially sustainable investments?

The Fund intends to make a minimum of 20% of sustainable investments. Among these, the Fund commits to make a minimum of 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time. These sustainable investments will represent at least 20% of the portfolio holdings on an aggregated basis.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The "#2 Other" category is expected to be made up of (i) companies with no sustainable theme or where a dedicated company engagement to supplement data points has not yet been completed, (ii) hedging instruments and/or (iii) cash held for ancillary liquidity. These investments are not subject to minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_sustainableemergingmarketsequity_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
US Advantage Fund

Legal entity identifier:
2NPF4LYIICQVCUT1Q64

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** ___%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** ___%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the following environmental and social characteristics:

- the Fund promotes the environmental characteristic of limiting environmental externalities by excluding investments in thermal coal; and
- the Fund promotes the social characteristic of avoiding investments in certain activities which can cause harm to human health and wellbeing, including tobacco and certain weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

These exclusions are implemented in line with the Fund's Restriction Screening Policy, which can be found on [www.morganstanley.com/im](https://www.morganstanley.com/im/publication/msinvf/material/rsp_msinvf_counterpointglobal_en.pdf) at https://www.morganstanley.com/im/publication/msinvf/material/rsp_msinvf_counterpointglobal_en.pdf

Further detail on the nature of these exclusions is set out below (in response to the question "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator is the percentage of companies in the Fund which breach the exclusionary screens. The sustainability indicator will therefore be that 0% of the Fund's investments are in violation of the Fund's Restriction Screening Policy.

Compliance with the exclusions is monitored on an ongoing basis through an automated process, comprising pre- and post-trade guideline monitoring and exception-based screening.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The “do no significant harm” principle applies only to the portion of the Fund’s investments that are sustainable investments.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

The Fund considers principal adverse impacts (“PAI”) on sustainability factors only in part, as follows:

The Fund excludes issuers which receive a certain percentage of their revenue from thermal coal mining and extraction. The Fund therefore partly considers the PAI indicator (4) exposure to companies active in the fossil fuel sector.

The Fund excludes issuers which are involved in manufacturing the core weapon system of cluster munitions and anti-personnel mines. The Fund therefore partly considers the PAI indicator (14) exposure to controversial weapons.

Where the Investment Adviser considers the following PAI indicators to be materially relevant to, or impacted by, the activities of the issuer, it will also consider the following PAIs on sustainability factors. This will be done by the Investment Advisor (a) integrating ESG analysis within the research process and/or (b) engaging with management of investee companies. The PAIs considered are the following:

PAI indicator (1): Greenhouse gas emissions (GHG).

PAI indicator (3): GHG intensity.

PAI indicator (5): Non-Renewable energy consumption and production; and

PAI indicator (6): Energy consumption intensity per high impact climate sector.

As a result, the Fund contributes to mitigating the Fund’s adverse impacts on these sustainability factors.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund seeks long-term capital appreciation by investing primarily in established large-capitalization US companies and on an ancillary basis in securities issued by companies that are not from the US. To achieve its objective, the investment team typically invests in companies it believes have strong name recognition, sustainable competitive advantages with above average business visibility, the ability to deploy capital at high rates of return, strong balance sheets and an attractive risk/reward. The investment process integrates analysis of sustainability by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Binding restriction screens are applied to the Fund to restrict investments in corporate issuers whose industry classification or core business activity, determined in accordance with the methodology set out below, involves:

- Tobacco.
- Coal; or
- Weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The methodology used to determine industry classification or core business activity for the purpose of the above-described screening is as follows:

- 1) Global Industry Classification Standard (GICS) Sub-Industry is Tobacco or Coal & Consumable Fuels;
- 2) Revenue (as defined by external third-party data):
 - more than 5% of its recent-year revenue (or estimated revenue) from Tobacco;
 - more than 10% of its recent-year revenue (or estimated revenue) from Thermal Coal;
 - more than 10% of its recent-year revenue (or estimated revenue) from the Manufacture of Civilian Firearms and ammunition; or
- 3) Involvement as identified by an external third-party data provider through corporate ownership, in manufacturing the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon, or cluster munitions and anti-personnel mines.

Investments that are held by the Fund but which breach one of the above exclusionary screens after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable. No minimum reduction rate has been defined in relation to the Fund's scope of investments. However, the Investment Adviser anticipates that the application of the exclusions described above will reduce the scope of the Fund's investment universe by up to 2%.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

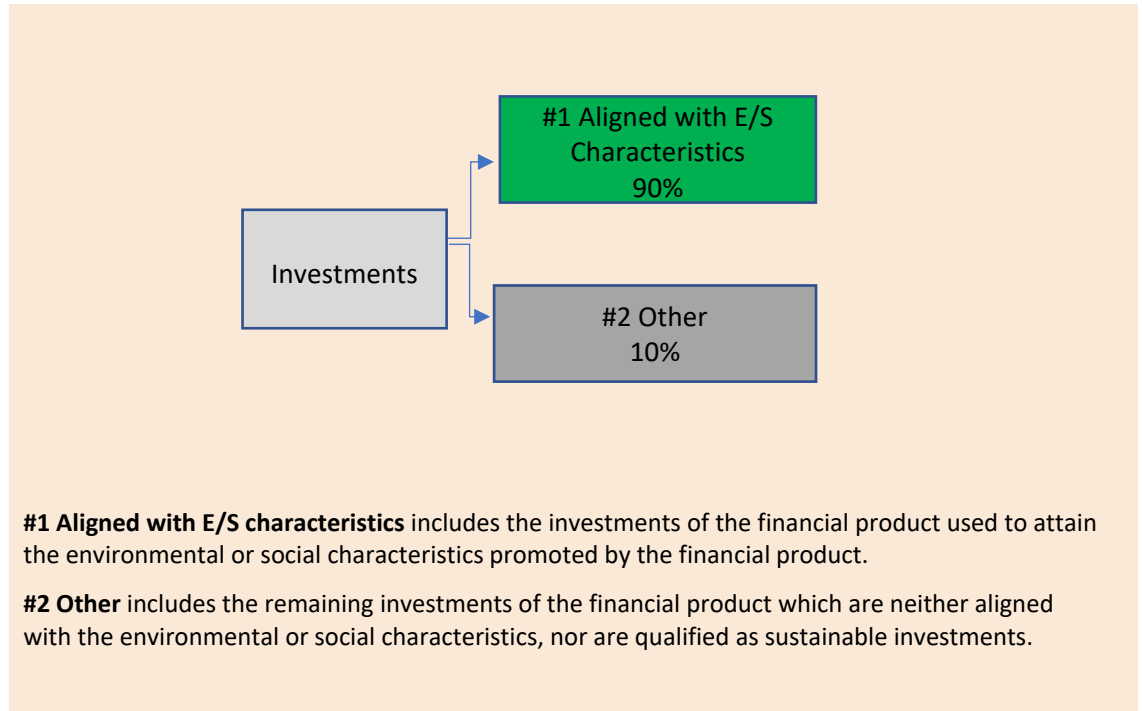
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **What is the policy to assess good governance practices of the investee companies?**

As part of the Fund's holistic approach to considering sustainability research and factors, the Investment Adviser of the Fund assesses governance practices of investee companies, including but not limited to looking at the management structures, employee relations, remuneration of staff, and tax compliance of such companies. In particular, the Investment Advisor uses a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Category #1 investments (i.e. those aligned with E/S characteristics) comprise all investments that are screened against the Fund's Restriction Screening Policy. Category #2 investments are those investments that are not screened against the Fund's Restriction Screening Policy.

The entirety of the Fund, apart from cash and derivatives held for efficient portfolio management purposes, are screened against the Fund's Restriction Screening Policy. This comprises 90% of the Fund. Accordingly, at least 90% of the Fund are Category #1 investments and the remaining 10% of the Fund (comprising cash and derivatives held for hedging purposes) are Category #2 investments.

These percentages are measured according to the value of the investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable – the Fund does not use derivatives to attain its environmental or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

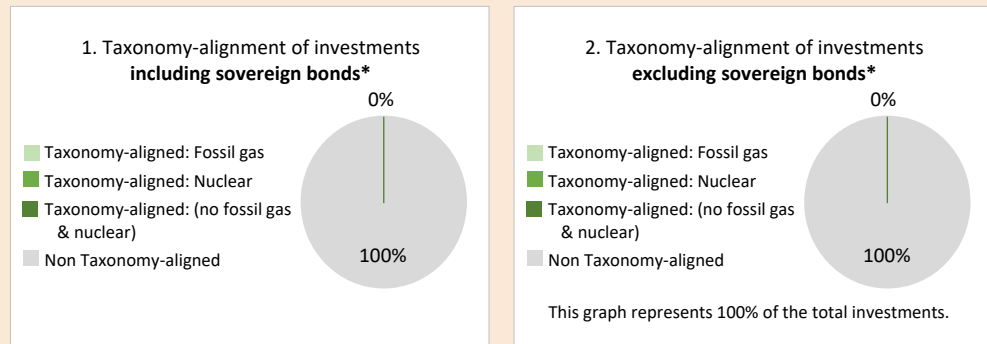
- Yes:
 - In fossil gas In nuclear energy
- No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

10% of the Fund, comprising cash and derivatives held for efficient portfolio management purposes, are Category “#2 Other” investments. These instruments are not subject to environmental and/or social screening or any minimum environmental or social safeguards.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_usadvantage_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
US Growth Fund

Legal entity identifier:
3G53TROTPO01D767EJ04

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the following environmental and social characteristics:

- the Fund promotes the environmental characteristic of limiting environmental externalities by excluding investments in thermal coal; and
- the Fund promotes the social characteristic of avoiding investments in certain activities which can cause harm to human health and wellbeing, including tobacco and certain weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

These exclusions are implemented in line with the Fund's Restriction Screening Policy, which can be found on www.morganstanley.com/im at https://www.morganstanley.com/im/publication/msinvf/material/rsp_msinvf_counterpointglobal_en.pdf

Further detail on the nature of these exclusions is set out below (in response to the question "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator is the percentage of companies in the Fund which breach the exclusionary screens. The sustainability indicator will therefore be that 0% of the Fund's investments are in violation of the Fund's Restriction Screening Policy.

Compliance with the exclusions is monitored on an ongoing basis through an automated process, comprising pre- and post-trade guideline monitoring and exception-based screening.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

– **How have the indicators for adverse impacts on sustainability factors been taken into account?**

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The “do no significant harm” principle applies only to the portion of the Fund’s investments that are sustainable investments.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

The Fund considers principal adverse impacts (“PAI”) on sustainability factors only in part, as follows:

The Fund excludes issuers which receive a certain percentage of their revenue from thermal coal mining and extraction. The Fund therefore partly considers the PAI indicator (4) exposure to companies active in the fossil fuel sector.

The Fund excludes issuers which are involved in manufacturing the core weapon system of cluster munitions and anti-personnel mines. The Fund therefore partly considers the PAI indicator (14) exposure to controversial weapons.

Where the Investment Adviser considers the following PAI indicators to be materially relevant to, or impacted by, the activities of the issuer, it will also consider the following PAIs on sustainability factors. This will be done by the Investment Advisor (a) integrating ESG analysis within the research process and/or (b) engaging with management of investee companies. The PAIs considered are the following:

PAI indicator (1): Greenhouse gas emissions (GHG).

PAI indicator (3): GHG intensity.

PAI indicator (5): Non-Renewable energy consumption and production; and

PAI indicator (6): Energy consumption intensity per high impact climate sector.

As a result, the Fund contributes to mitigating the Fund’s adverse impacts on these sustainability factors.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund seeks long-term capital appreciation by investing primarily in securities issued by US companies and on an ancillary basis in securities issued by companies that are not from the US. To achieve its objective, the investment team typically invests in unique companies it believes have sustainable competitive advantages with above average business visibility, the ability to deploy capital at high rates of return, strong balance sheets and an attractive risk/reward. The investment process integrates analysis of sustainability by using ESG factors as a lens for additional fundamental research, which can contribute to investment decision-making. The Investment Adviser seeks to understand how environmental and social initiatives within companies can create value by strengthening durable competitive advantages, creating growth opportunities, driving profitability, and/or aligning with secular growth trends. The Investment Adviser generally engages with company management teams to discuss their ESG practices, with the aim of identifying how sustainability themes present opportunities and risks that can be material to the value of the security over the long term.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Binding restriction screens are applied to the Fund to restrict investments in corporate issuers whose industry classification or core business activity, determined in accordance with the methodology set out below, involves:

- Tobacco.
- Coal; or
- Weapons, comprising civilian firearms, cluster munitions and anti-personnel mines.

The methodology used to determine industry classification or core business activity for the purpose of the above-described screening is as follows:

- 1) Global Industry Classification Standard (GICS) Sub-Industry is Tobacco or Coal & Consumable Fuels;
- 2) Revenue (as defined by external third-party data):
 - more than 5% of its recent-year revenue (or estimated revenue) from Tobacco;
 - more than 10% of its recent-year revenue (or estimated revenue) from Thermal Coal;
 - more than 10% of its recent-year revenue (or estimated revenue) from the Manufacture of Civilian Firearms and ammunition; or
- 3) Involvement as identified by an external third-party data provider through corporate ownership, in manufacturing the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon, or cluster munitions and anti-personnel mines.

Investments that are held by the Fund but which breach one of the above exclusionary screens after they are acquired for the Fund will be sold. Such sales will take place over a time period to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable. No minimum reduction rate has been defined in relation to the Fund's scope of investments. However, the Investment Adviser anticipates that the application of the exclusions described above will reduce the scope of the Fund's investment universe by up to 2%.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

As part of the Fund's holistic approach to considering sustainability research and factors, the Investment Adviser of the Fund assesses governance practices of investee companies, including but not limited to looking at the management structures, employee relations, remuneration of staff, and tax compliance of such companies. In particular, the Investment Advisor uses a proprietary, systematic evaluation of governance policies, specifically focusing on compensation alignment on long-term value creation.

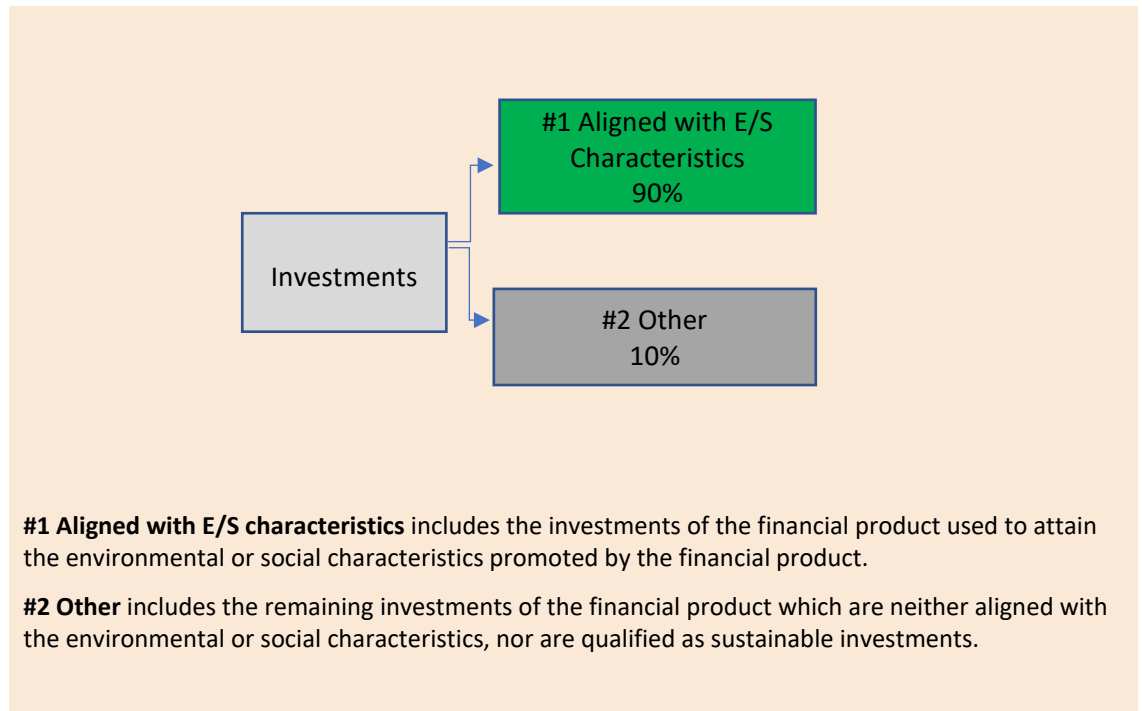


Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



Category #1 investments (i.e. those aligned with E/S characteristics) comprise all investments that are screened against the Fund's Restriction Screening Policy. Category #2 investments are those investments that are not screened against the Fund's Restriction Screening Policy.

The entirety of the Fund, apart from cash and derivatives held for efficient portfolio management purposes, are screened against the Fund's Restriction Screening Policy. This comprises 90% of the Fund. Accordingly, at least 90% of the Fund are Category #1 investments and the remaining 10% of the Fund (comprising cash and derivatives held for hedging purposes) are Category #2 investments.

These percentages are measured according to the value of the investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable – the Fund does not use derivatives to attain its environmental or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

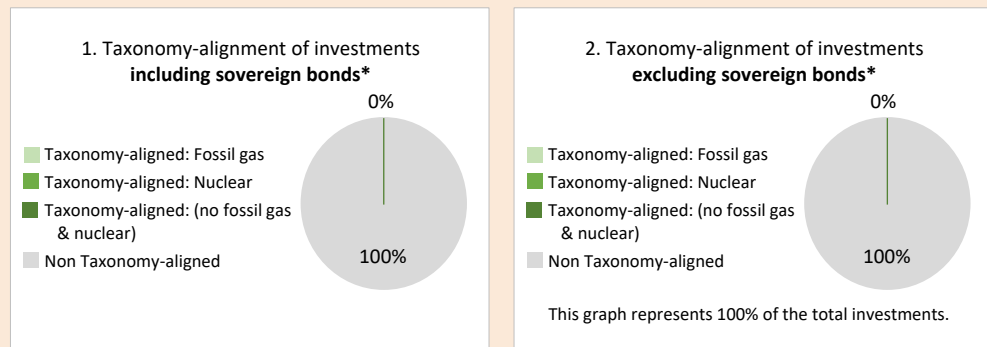
- Yes:
 - In fossil gas
 - In nuclear energy
- No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

10% of the Fund, comprising cash and derivatives held for efficient portfolio management purposes, are Category “#2 Other” investments. These instruments are not subject to environmental and/or social screening or any minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_usgrowh_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
US Property Fund

Legal entity identifier:
HVED7LVWFTE5K53NJP05

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<p><input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No</p>
<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the social characteristic of avoiding investments in certain activities which can cause harm to human health and wellbeing or be damaging to social cohesion. The Fund also excludes certain companies which have experienced notable sustainability-related controversies, or which are in violation of international norms.

Further detail on the nature of these exclusions is set out below (in response to the question “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*”).

The Fund has not designated a reference benchmark for the purposes of attaining its social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The application of the exclusionary screens to the Fund’s investments is measured by the percentage of the Fund’s investments which breach the exclusionary screens. The relevant sustainability indicator is therefore that 0% of the Fund’s investments are in violation of the Fund’s exclusionary screens.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

As described under *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?* below, the Fund does not knowingly invest companies that fail to comply with the UN Global Compact or the ILO fundamental principles, unless the Investment Adviser considers that the company is taking appropriate steps for material remediation and improvement. The Fund therefore considers in part, PAI indicator number 10: violations of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The US Property Fund's investment objective is to seek long term capital appreciation by investing primarily in equity securities of companies in the real estate industry, or closely related to the real estate industry Located in the US. The investment process utilizes internal proprietary research to invest in public real estate companies that may offer the best relative value relative to their underlying assets and earnings.

The investment process is subject to regular review, as part of a control and monitoring framework implemented by the Investment Adviser and the Management Company. Morgan Stanley Investment Management's Compliance, Risk and Portfolio Surveillance teams collaborate with investment teams to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives, investment and client guidelines, taking into account changing market conditions, information and strategy developments.

The Investment Adviser utilizes a bottom-up approach, valuing each security within the investment universe to arrive at an estimate of net asset value and forward cash flows. Real estate specific factors, broader equity factors, and environmental, social and governance (ESG) factors (as described further below) are assessed in the fundamental analysis to calculate appropriate valuation metrics. The Investment Adviser also incorporates a top-down approach in the portfolio construction process by integrating several factors which may include forecasted fundamental inflections, and macroeconomic considerations among other factors risk assessments, to achieve diversified exposure across sectors.

In addition to the ESG considerations described in this document on a binding basis, the Fund integrates ESG considerations in the investment decision-making process to support its environmental and social characteristics on a non-binding basis. The Investment Adviser assesses key ESG risks and opportunities in the bottom-up stock selection process primarily by leveraging third-party ESG providers to assess and quantify ESG performance for issuers, supplementing third-party research with proprietary research conducted by the Investment Advisor including utilizing a framework for assessing and quantifying risks and opportunities related to ESG which results in a quantitative adjustment to valuation estimates, and through engagements with company management to discuss ESG-related strengths, weaknesses, and opportunities in an effort to effect positive change within the industry. While ESG considerations are an integrated and fundamental part of the investment process, they are only one of several key determinants used by the Investment Adviser to determine if an investment will be made or size adjusted in the overall portfolio.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Social and environmental exclusions:

The Fund shall not knowingly invest in any company which derives more than 10% of company revenue from any one of the following activities:

- owning or operating real estate used for for-profit prisons;
- owning or operating real estate used to manufacture cannabis;
- manufacturing or production of tobacco;
- manufacturing or production of coal mining;
- manufacturing or production of controversial weapons and civilian firearms; and
- manufacturing or production of arctic oil and gas.

In addition, the Fund shall not knowingly invest in the following companies:

- companies that do not have at least one female board member.

International norms exclusions:

The Fund shall not knowingly invest in the following companies:

- companies that have experienced a notable sustainability-related controversy related to their operations and/or products, where the severity of the social or environmental impact of the controversy is above a certain threshold based on third party data, unless the Investment Adviser considers that the company is taking appropriate steps for material remediation and improvement; or
- companies that fail to comply with the UN Global Compact or the ILO fundamental principles, unless the Investment Adviser considers that the company is taking appropriate steps for material remediation and improvement.

The above exclusions are implemented in line with the Fund's Restriction Screening and ESG Policy which can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

The Investment Adviser may apply additional ESG-related investment restrictions over time that it believes are consistent with its investment objectives and with the environmental or social characteristics that the Fund promotes. Such additional investment restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable. No minimum reduction rate has been defined in relation to the Fund's scope of investments.

However, the Investment Adviser anticipates that the application of

- the social exclusions described above will reduce the scope of the Fund's investments by up to 1%; and
- the international norms exclusions described above will reduce the scope of the Fund's investments by up to 1%.

The anticipated reduction figures above are by market capitalisation of the Fund's potential investment universe.

● **What is the policy to assess good governance practices of the investee companies?**

As part of its bottom-up research process, the Investment Adviser incorporates assessment of an issuer’s corporate governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance, in order to ensure that every investee company follows good governance practices.

This is done through the monitoring of data on governance-related, as well as on other environmental and/or social factors and controversies, sourced from third party providers, through in-house research, and through engagement with the management of selected issuers on corporate governance and disclosure issues.



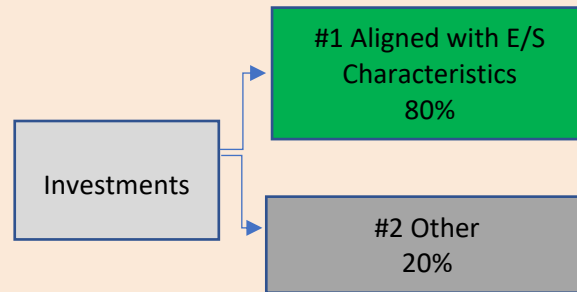
Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

At least 80% of the Fund’s investments align with the environmental and social characteristics it promotes, through the application of the above-mentioned exclusions.

A maximum of 20% of the Fund may be invested in hedging and/or cash instruments, which do not align with any environmental or social characteristics.

These percentages are measured according to the value of the investments.

The Fund does not intend to make any sustainable investments within the meaning of the Sustainable Finance Disclosure Regulation (“SFDR”).

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund does not use derivatives to attain the environmental or social characteristics which it promotes.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

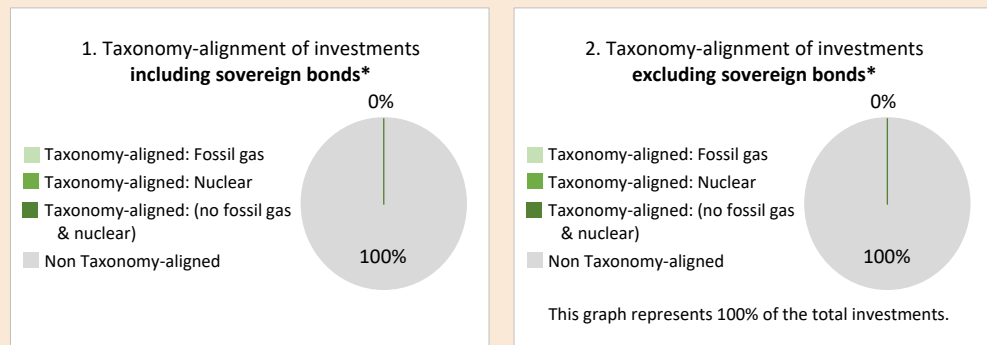
- Yes:
 - In fossil gas
 - In nuclear energy
- No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may make investments in hedging and/or cash instruments. These are included in the “#2 Other” category. These instruments are not subject to environmental and/or social screening or any minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_usproperty_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Emerging Markets Debt Fund

Legal entity identifier:

LTF85HOHIJ7QD9N5L226

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

It will make a minimum of **sustainable investments with an environmental objective: ___%**

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: ___%**

No

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the social characteristic of avoiding investments in sovereign issuers that significantly violate social rights and in investments which can cause harm to human health and wellbeing. In addition, the Fund promotes the environmental characteristic of climate change mitigation by avoiding investments where thermal coal mining and extraction represents a certain percentage of a company's revenue.

Further detail on the nature of these exclusions is set out below (in response to the question, "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?").

The Fund has not designated a reference benchmark for the purposes of attaining its environmental or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator used to measure the attainment of the Fund's environmental and social characteristics is the Fund's exposure, in percentage market value, to countries or companies that violate any of the exclusion criteria.

Additional details on the Fund's exclusions criteria and methodology are provided below in response to the question, "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

Not applicable

Principal adverse impacts

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The “do no significant harm” principle applies only to the portion of the Fund’s investments that are sustainable investments.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

The Fund considers PAIs only in part through its exclusionary criteria, as follows:

- The Fund excludes any sovereign issuers where there is evidence of them having caused significant harm from social violations, which the Investment Adviser defines in relation to the bottom-10% ranked countries on an indicator reflecting the fulfilment of social rights, as further explained below in response to the question, “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*”. The Fund therefore considers in part the PAI indicator 16: investee countries subject to social violations.
- The Fund excludes issuers which derive a certain percentage of revenue from thermal coal mining and extraction. The Fund therefore partly considers the PAI indicator 4: exposure to companies active in the fossil fuel sector.
- The Fund excludes issuers which derive any revenue from controversial weapons manufacturing or retail. The Fund therefore considers in whole the PAI indicator 14: exposure to controversial weapons.

The Fund does not consider any other PAI indicators.

The Fund will make information available on how it has incorporated the PAIs into the Fund in its periodic reports to investors.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund seeks to maximise total return, measured in US Dollars, primarily through investment in the Fixed Income Securities of government and government-related issuers located in Emerging Market countries (including, to the extent these instruments are securitised, participations in loans between governments and financial institutions), together with investing in the Fixed Income Securities of corporate issuers located in, organised under the laws of, or which have a principal office in, Emerging Market countries.

As part of its investment strategy, the Fund aims at reducing exposure to sustainability risks through exclusionary screening of sovereign issuers that significantly violate social rights, as well as, for corporate issuers, of selected fossil fuels and activities which can cause dangers to human health and wellbeing.

In addition to the ESG considerations described in this document on a binding basis, the Fund integrates ESG considerations in the investment decision-making to support its environmental and social characteristics on a non-binding basis, based on the Investment Adviser’s in-house research and methodologies and on third-party data.

The investment process is subject to regular review, as part of a control and monitoring framework implemented by the Investment Adviser. The Investment Adviser’s Compliance, Risk and Portfolio Surveillance teams collaborate with the investment team to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives, investment and client guidelines, taking into account changing market conditions, information and strategy developments.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements of the investment strategy consist of the exclusionary screening criteria applied to the portfolio construction process, as described in the table below.

The criteria are implemented and monitored by the Investment Adviser using a combination of third-party data and in-house research.

Binding criteria	
<p>The Fund will not invest in sovereign issuers which:</p>	<p>Are in the bottom-10% ranked countries for social violations, based on the Investment Adviser’s custom indicator.</p> <p>The social violations custom indicator is calculated by the Investment Adviser taking into consideration a country’s performance on issues including, but not limited to, the application of human rights and civil liberties, the quality of contract enforcement and security, freedom of expression, association and free media, as assessed by underlying data from third parties.</p> <p>Investments that are held by the Fund but become restricted because they breach the investment exclusions set out above, after they are acquired for the Fund, will be sold. Such sales will take place over a period of time to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund.</p> <p>In addition, any investments in sovereign issuers exhibiting positive momentum with respect to such violations shall not be subject to the purchase restriction. For example, if a country is in the process of making significant remediation efforts, such as through electoral or policy reforms and engagement with civil society, with regard to any social violations, the Investment Adviser may not exclude the</p>

	investment from the Fund, provided this assessment is kept under review by the Investment Adviser.
The Fund will not invest in corporate issuers which:	<p>Derive any revenue from any of the following activities:</p> <ul style="list-style-type: none"> • Controversial weapons manufacturing or retail (anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons); • Civilian firearms manufacturing or retail; • Tobacco manufacturing; or <p>Derive more than 5% revenue from any of the following activities:</p> <ul style="list-style-type: none"> • Thermal coal mining and extraction. The Fund may, as an exception, invest in labelled Sustainable Bonds issued by fossil fuel companies, which are intended to raise proceeds specifically for projects that promote positive environmental contributions mitigating the adverse sustainability impact of coal, such as renewable energy or energy efficiency, based on information available in the bond issuance documentation.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

No minimum reduction rate has been defined in relation to the Fund's scope of investments. However, the Investment Adviser anticipates that the application of the exclusions described above will reduce the scope of the Fund's investments by approximately 10%. This is measured in terms of number of countries in the sovereign investment universe.

● ***What is the policy to assess good governance practices of the investee companies?***

As part of its bottom-up, fundamental research process, the Investment Adviser systematically incorporates the assessment of an issuer's corporate governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance, in order to ensure that every investee company follows good governance practices.

This is done through the monitoring of data on governance-related, as well as on other environmental and/or social factors and controversies, sourced from third party providers, through in-house research, and through engagement with the management of selected issuers on corporate governance and disclosure issues.

In the interests of transparency, given the Fund's primary investment focus is on sovereign bonds, the Investment Adviser notes that it also assesses investee sovereign issuers' government effectiveness, political stability, control of corruption, and regulatory quality, among other factors.



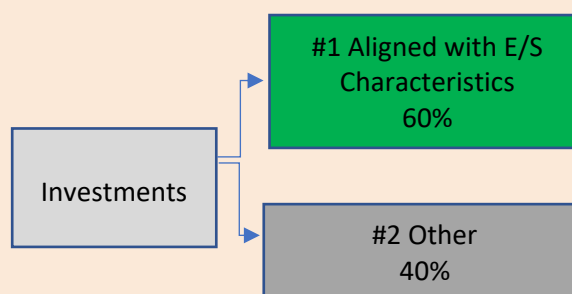
Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The exclusions (as described above) will be applied to at least 60% of the portfolio. A maximum of 40% of the Fund may be invested in assets that do not align with any environmental or social characteristics, as described in the response to question, “5.5 What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards” further below.

As explained above, any investments that are held by the Fund but become restricted because they breach the investment exclusions set out above, after they are acquired for the Fund, will be sold. Such sales will take place over a period of time to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund. Such investments are included in the “#2 Other” category.

These percentages are measured according to the value of the investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives may be used by the Fund for investment or efficient portfolio management (including hedging) purposes. These instruments are not used to attain the environmental or social characteristics of the Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

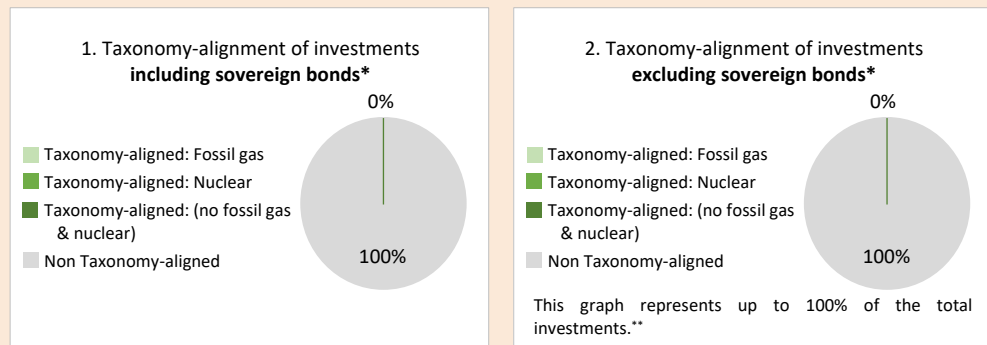
- Yes:
 In fossil gas In nuclear energy
 No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
 **The proportion of total investments shown in this graph is purely indicative and may vary over time. As the Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of any sovereign exposure in the Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may have investments in hedging instruments for efficient portfolio management and in cash as ancillary liquidity. These instruments are included in the “#2 Other” category and are not subject to environmental and/or social screening or any minimum environmental or social safeguards.

The Fund aims, nevertheless, not to invest in derivatives associated with underlying assets, currencies, or interest rates related to countries that would otherwise be subject to the social violations exclusion described under the binding characteristics of the Fund.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_emergingmarketsdebt_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
Emerging Markets Domestic Debt Fund

Legal entity identifier:
XJIRZ4JB5DNAES39H039

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

It will make a minimum of **sustainable investments with an environmental objective: ___%**

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: ___%**

No

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the social characteristic of avoiding investments in sovereign issuers that significantly violate social rights and in investments which can cause harm to human health and wellbeing. In addition, the Fund promotes the environmental characteristic of climate change mitigation by avoiding investments where thermal coal mining and extraction represents a certain percentage of a company's revenue.

Further detail on the nature of these exclusions is set out below (in response to the question, "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?").

The Fund has not designated a reference benchmark for the purposes of attaining its environmental or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator used to measure the attainment of the Fund's environmental and social characteristics is the Fund's exposure, in percentage market value, to countries or companies that violate any of the exclusion criteria.

Additional details on the Fund's exclusions criteria and methodology are provided below in response to the question, "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The “do no significant harm” principle applies only to the portion of the Fund’s investments that are sustainable investments.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

The Fund considers PAIs only in part through its exclusionary criteria, as follows:

- The Fund excludes any sovereign issuers where there is evidence of them having caused significant harm from social violations, which the Investment Adviser defines in relation to the bottom-10% ranked countries on an indicator reflecting the fulfilment of social rights, as further explained below in response to the question, “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*”. The Fund therefore considers in part the PAI indicator 16: investee countries subject to social violations.
- The Fund excludes issuers which derive a certain percentage of revenue from thermal coal mining and extraction. The Fund therefore partly considers the PAI indicator 4: exposure to companies active in the fossil fuel sector.
- The Fund excludes issuers which derive any revenue from controversial weapons manufacturing or retail. The Fund therefore considers in whole the PAI indicator 14: exposure to controversial weapons.

The Fund does not consider any other PAI indicators.

The Fund will make information available on how it has incorporated the PAIs into the Fund in its periodic reports to investors.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund’s investment objective is to seek to maximise total return, measured in US Dollars, primarily through investment in a portfolio of Emerging Market bonds and other Emerging Market Fixed Income Securities, denominated in the local currency of issue. The Fund intends to invest its assets in Emerging Market Fixed Income Securities that provide a high level of current income, while at the same time holding the potential for capital appreciation.

As part of its investment strategy, the Fund aims at reducing exposure to sustainability risks through exclusionary screening of sovereign issuers that significantly violate social rights, as well as, for corporate issuers, of selected fossil fuels and activities which can cause dangers to human health and wellbeing.

In addition to the ESG considerations described in this document on a binding basis, the Fund integrates ESG considerations in the investment decision-making to support its environmental and social characteristics on a non-binding basis, based on the Investment Adviser’s in-house research and methodologies and on third-party data.

The investment process is subject to regular review, as part of a control and monitoring framework implemented by the Investment Adviser. The Investment Adviser’s Compliance, Risk and Portfolio Surveillance teams collaborate with the investment team to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives, investment and client guidelines, taking into account changing market conditions, information and strategy developments.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements of the investment strategy consist of the exclusionary screening criteria applied to the portfolio construction process, as described in the table below.

The criteria are implemented and monitored by the Investment Adviser using a combination of third-party data and in-house research.

Binding criteria	
<p>The Fund will not invest in sovereign issuers which:</p>	<p>Are in the bottom-10% ranked countries for social violations, based on the Investment Adviser’s custom indicator.</p> <p>The social violations custom indicator is calculated by the Investment Adviser taking into consideration a country’s performance on issues including, but not limited to, the application of human rights and civil liberties, the quality of contract enforcement and security, freedom of expression, association and free media, as assessed by underlying data from third parties.</p> <p>Investments that are held by the Fund but become restricted because they breach the investment exclusions set out above, after they are acquired for the Fund, will be sold. Such sales will take place over a period of time to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund.</p> <p>In addition, any investments in sovereign issuers exhibiting positive momentum with respect to such violations shall not be subject to the purchase restriction. For example, if a country is in the process of making significant remediation efforts, such as through electoral or policy reforms and engagement with civil society, with regard to any social violations, the Investment Adviser may not exclude the investment from the Fund, provided this assessment is kept under review by the Investment Adviser.</p>

<p>The Fund will not invest in corporate issuers which:</p>	<p>Derive any revenue from any of the following activities:</p> <ul style="list-style-type: none"> • Controversial weapons manufacturing or retail (anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons); • Civilian firearms manufacturing or retail; • Tobacco manufacturing; or <p>Derive more than 5% revenue from any of the following activities:</p> <ul style="list-style-type: none"> • Thermal coal mining and extraction. The Fund may, as an exception, invest in labelled Sustainable Bonds issued by fossil fuel companies, which are intended to raise proceeds specifically for projects that promote positive environmental contributions mitigating the adverse sustainability impact of coal, such as renewable energy or energy efficiency, based on information available in the bond issuance documentation.
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The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund's SFDR Website Disclosure.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

No minimum reduction rate has been defined in relation to the Fund's scope of investments. However, the Investment Adviser anticipates that the application of the exclusions described above will reduce the scope of the Fund's investments by approximately 10%. This is measured in terms of number of countries in the sovereign investment universe.

● ***What is the policy to assess good governance practices of the investee companies?***

As part of its bottom-up, fundamental research process, the Investment Adviser systematically incorporates the assessment of an issuer's corporate governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance, in order to ensure that every investee company follows good governance practices.

This is done through the monitoring of data on governance-related, as well as on other environmental and/or social factors and controversies, sourced from third party providers, through in-house research, and through engagement with the management of selected issuers on corporate governance and disclosure issues.

In the interests of transparency, given the Fund's primary investment focus is on sovereign bonds, the Investment Adviser notes that it also assesses investee sovereign issuers' government effectiveness, political stability, control of corruption, and regulatory quality, among other factors.



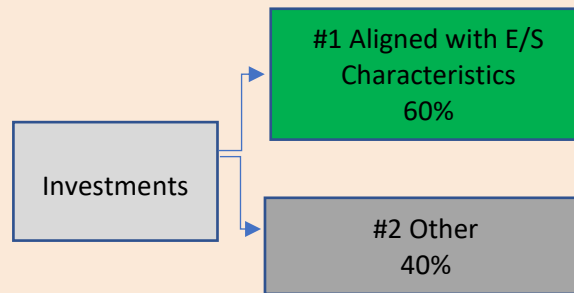
Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The exclusions (as described above) will be applied to at least 60% of the portfolio. A maximum of 40% of the Fund may be invested in assets that do not align with any environmental or social characteristics, as described in the response to question, “5.5 What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards” further below.

As explained above, any investments that are held by the Fund but become restricted because they breach the investment exclusions set out above, after they are acquired for the Fund, will be sold. Such sales will take place over a period of time to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund. Such investments are included in the “#2 Other” category.

These percentages are measured according to the value of the investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives may be used by the Fund for investment or efficient portfolio management (including hedging) purposes. These instruments are not used to attain the environmental or social characteristics of the Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

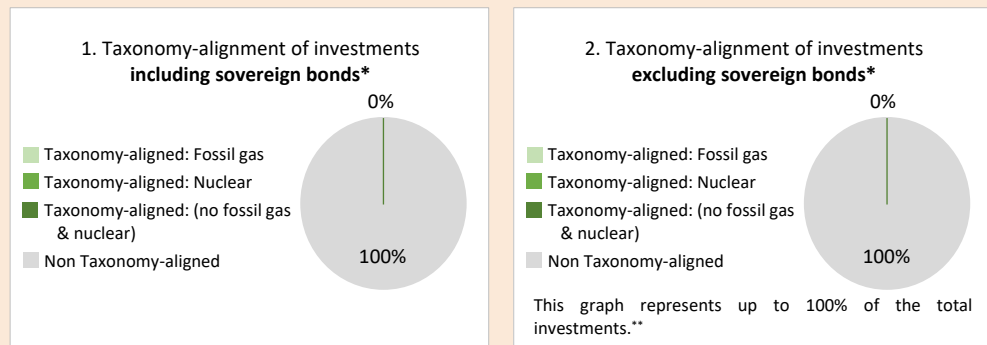
- Yes:
- In fossil gas In nuclear energy
- No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

**The proportion of total investments shown in this graph is purely indicative and may vary over time. As the Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of any sovereign exposure in the Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may invest in derivatives (including interest rate and foreign exchange derivatives) both for investment and for efficient portfolio management purposes, and in cash as ancillary liquidity. These instruments are included in the “#2 Other” category and are not subject to any minimum environmental or social safeguards.

The Fund aims, nevertheless, not to invest in derivatives associated with underlying assets, currencies, or interest rates related to countries that would otherwise be subject to the social violations exclusion described under the binding characteristics of the Fund.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_emergingmarketsdomesticdebt_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
Global Bond Fund

Legal entity identifier:
XTIK5CR06MPXCNP7M95

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

<p><input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of <u>20</u> % of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the environmental characteristic of climate change mitigation by excluding investments in certain types of fossil fuels. In addition, the Fund promotes the social characteristic of avoiding investments in activities which can cause harm to human health and wellbeing, in sovereign issuers that significantly violate social rights, and securitisations that violate responsible business or lending practices.

Further detail on the nature of these exclusions is set out below (in response to the question, “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*”).

The Fund also aims to make a minimum of 20% sustainable investments in:

- Corporate issuers whose business practices, products or solutions, make a net positive contribution towards United Nations’ Sustainable Development Goals (“SDGs”);
- Sovereign issuers with ESG scores in the top-2 ranks according to the Investment Adviser’s proprietary scoring methodology, associated with positive environmental or social attributes; or
- Sustainable Bonds, from any type of issuer, which make a positive environmental or social contribution through their use of proceeds, as explained in response to the question below, “*What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*”

The Fund has not designated a reference benchmark for the purpose of attaining its environmental or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator used to measure the attainment of the Fund’s environmental and social characteristics is the Fund’s exposure, in percentage market value, to issuers that violate any of the exclusion criteria. Additional details on the Fund’s exclusions criteria and methodology are provided below in response to the question, “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*”

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund’s sustainable investments will fall within one of the following categories:

- Green, Social or Sustainability Bonds (“Sustainable Bonds”), as labelled in the securities’ documentation, where the issuer commits to allocate the proceeds to projects making a positive environmental or social contribution. This includes, but is not limited to, bonds that align with the International Capital Market Association (ICMA)’s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines, and bonds which have been assessed through the Investment Adviser’s proprietary Sustainable Bond evaluation framework. Sustainable Bonds mobilise financing directly towards a multiplicity of environmental and social projects whose focus spans across a number of sustainability objectives. Examples include, but are not limited to, financing for renewable energy, energy efficiency, clean transportation, affordable housing, and financial inclusion projects. The specific objectives to which the Sustainable Bonds contribute depend on the eligible environmental and social project categories of each security.
- Bonds from corporate issuers whose business practices, products or solutions, make a net positive contribution towards the SDGs. The SDGs were adopted by the United Nations in

2015 as a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. The Investment Adviser defines positive contribution to the SDGs as a net positive aggregate alignment score across all the SDGs (i.e., scores measuring positive contribution to individual SDGs have to, in total, be greater than the total of any negative contribution scores), based on third-party data. The Investment Adviser will also only include issuers which have sufficient positive SDG alignment (in the Investment Adviser's view) with at least one individual SDG, and which do not have any material misalignments (in the Investment Adviser's view) on any of the SDGs.

- Bonds from sovereign issuers with an ESG rank of 4 or 5, in a 1-5 range where 5 is best, based on the Investment Adviser's proprietary ESG scoring methodology. Ranks of 4 and 5 reflect a country's positive contribution towards environmental and social themes such as decarbonisation, forestry conservation, promotion of education, health and wellbeing, and good living standards. The Investment Adviser will, however, not treat the investment as sustainable if the sovereign issuer ranked 4 or 5 has experienced recent negative momentum as assessed through in-house research, which is not captured by ESG data providers. For example, this may include circumstances where a country is facing significant political and/or social instability.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Fund's sustainable investments aim not to cause significant harm to any environmental or social objective, by:

- avoiding investments in issuers that violate minimum social safeguards; and
- by the Fund excluding issuers which breach thresholds set by the Investment Advisers relating to the principal adverse impact ("PAI") indicators which the Investment Adviser is required to consider by the EU Sustainable Finance Disclosure Regulation ("SFDR") rules, and which are relevant to the investment.

This assessment is conducted using in-house proprietary as well as third-party research on the sustainability characteristics of the Fund's holdings.

– ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The "do no significant harm" methodology applied by the Investment Adviser on sustainable investments seeks to exclude investments that cause harm to any of the PAI indicators (listed below) which are mandatory for the Investment Adviser to consider under the EU SFDR rules, and which are relevant to the investment.

PAI indicators:

Investee companies

1. GHG emissions
2. Carbon Footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact and OECD

11. Lack of processes and compliance mechanisms to monitor compliance with the UNGC and OECD
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons

Sovereign

1. Sovereign GHG intensity
2. Investee countries subject to social violations

The Investment Adviser has determined specific metrics and quantitative thresholds for what constitutes significant harm to screen PAI indicators that are relevant to the investment, using third-party data as well as in-house research. The thresholds are set: (i) on an absolute value basis; (ii) on a relative basis in the context of the investment universe; or (iii) using pass/fail scores. Different metrics or thresholds may apply to issuers located in developed markets and in emerging markets, respectively. This is intended to reflect the different extent to which the Investment Adviser deems that meeting minimum sustainability standards in these markets is currently achievable. In addition, different relative thresholds may apply to similar indicators: for example, the Investment Adviser currently applies a lower threshold to determine significant adverse impact with respect to scope 3 emissions intensity as compared to scope 1 and 2 emissions intensity. This is because: (i) companies have less control over their indirect emissions; and (ii) data estimates for scope 3 emissions, which currently prevail over reported data compared to scope 1 and 2 emissions, may result in a less accurate PAI assessment.

The Investment Adviser may use reasonable proxy indicators sourced from third parties to address the current lack of data for certain PAI indicators. The Investment Adviser's use of proxy indicators will be kept under review and will be replaced by PAI data from third-party data providers, when the Investment Adviser determines that sufficiently reliable data has become available.

The Investment Adviser generally conducts the PAI assessment at the issuer level. However, where appropriate the assessment may be done at the security level in whole or in part. For instance, in the case of Sustainable Bonds, as defined above, the PAI indicators that are directly related to the sustainability factors targeted by the bond's use of proceeds will be assessed at the security level, through the Investment Adviser's proprietary Sustainable Bond Evaluation Framework. As an example, the Fund may invest in a Green Bond issued by a utility company that has a negative assessment of the PAI indicators related to GHG emissions and/or GHG intensity, as long as the Investment Adviser evaluates that the issuer has a credible strategy to reduce its GHG emissions, and that the Green Bond specifically contributes towards such goal. Other PAI indicators that are unrelated to the Sustainable Bond's use of proceeds are still assessed at the issuer level.

The Fund's PAI assessment is supported, on a qualitative basis, by the Investment Adviser's engagement with selected issuers on their corporate governance practices, as well as on other material sustainability issues related to the SDGs, in line with the Investment Adviser's Fixed Income Engagement Strategy, available on

www.morganstanley.com/im

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments exclude issuers which have experienced very severe controversies that are deemed to violate the UN Global Compact, the UN Guiding Principles on Business and Human Rights, or the ILO Fundamental Principles, and issuers with very severe controversies related to violations of the OECD Guidelines for Multinational Enterprises. This screening is done using third-party data.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The “do no significant harm” principle applies only to the portion of the Fund’s investments that are sustainable investments.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

The Fund considers all of the mandatory PAI on sustainability factors which are relevant to the investment for the portion allocated to sustainable investments, as described above in response to the question, “How have the indicators for adverse impacts on sustainability factors been taken into account?”

The portion of the Fund that is not made of sustainable investments considers the PAI only in part through the Fund’s exclusionary criteria, as follows:

- The Fund excludes issuers which derive any revenue from thermal coal mining and extraction. The Fund therefore partly considers the PAI indicator 4: exposure to companies active in the fossil fuel sector.
- The Fund excludes issuers which derive any revenue from controversial weapons manufacturing or retail. The Fund therefore considers in whole the PAI indicator 14: exposure to controversial weapons.
- The Fund excludes sovereign issuers where there is evidence of them having caused significant harm from social violations, which the Investment Adviser defines in relation to the bottom-10% ranked countries on an indicator reflecting the fulfilment of social rights, as further explained in response to the question, “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?” The Fund therefore considers in part the PAI indicator number 16: investee countries subject to social violations.

The Fund will make information available on how it has incorporated the PAIs into the Fund in its periodic reports to investors.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund aims to provide an attractive rate of relative return, measured in US Dollars, through market, instrument and currency selection. The Fund will invest primarily in domestic, international, emerging market and Euromarket Fixed Income Securities of varying maturities denominated in US Dollars and other currencies, including asset-backed securities (including mortgage backed securities), loan participations and loan assignments, to the extent that these instruments are securitised, while reducing exposure to sustainability risks through exclusionary screening of selected fossil fuels and of activities which can cause dangers to human health and wellbeing.

In addition to the ESG considerations described in this summary on a binding basis, the Fund integrates ESG considerations in the investment decision-making process to support its environmental and social characteristics on a non-binding basis, based on the Investment Adviser’s in-house research and methodologies and on third-party data.

The investment process is subject to regular review, as part of a control and monitoring framework implemented by the Investment Adviser. The Investment Adviser’s Compliance, Risk and Portfolio Surveillance teams collaborate with the investment team to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives and environmental and social characteristics, taking into account changing market conditions, information and strategy developments.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements of the investment strategy are described in the table below.

The criteria are implemented and monitored by the Investment Adviser using a combination of third-party data and in-house research.

Binding criteria	
<p>The Fund will not invest in corporate issuers which:</p>	<p><u>Derive any revenue from any of the following activities:</u></p> <ul style="list-style-type: none"> • Controversial weapons manufacturing or retail (anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons); • Civilian firearms manufacturing or retail; • Tobacco manufacturing; or <p><u>Derive more than 5% revenue from any of the following activities:</u></p> <ul style="list-style-type: none"> • Thermal coal mining and extraction. The Fund may, as an exception, invest in labelled Sustainable Bonds issued by fossil fuel companies, which are intended to raise proceeds specifically for projects that promote positive environmental contributions mitigating the adverse sustainability impact of coal, such as renewable energy or energy efficiency, based on information available in the bond issuance documentation.

<p>The Fund will not invest in sovereign issuers which:</p>	<p>Are in the bottom-10% ranked countries for social violations, based on the Investment Adviser’s custom indicator.</p> <p>The social violations custom indicator is calculated by the Investment Adviser taking into consideration a country’s performance on issues including, but not limited to, the application of human rights and civil liberties, the quality of contract enforcement and security, freedom of expression, association and free media, as assessed by underlying data from third parties.</p> <p>Investments that are held by the Fund but become restricted because they breach the investment exclusions set out above, after they are acquired for the Fund, will be sold. Such sales will take place over a period of time to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund.</p> <p>In addition, any investments in sovereign issuers exhibiting positive momentum with respect to such violations, shall not be subject to the purchase restriction. For example, if a country is in the process of making significant remediation efforts, such as through electoral or policy reforms and engagement with civil society, with regard to any social violations, the Investment Adviser may not exclude the investment from the Fund, provided this is kept under review by the Investment Adviser.</p>
<p>The Fund will not invest in securitisations in which:</p>	<ul style="list-style-type: none"> • The underlying loans show evidence of predatory lending, as determined by the applicable usury laws, and in the context of market rates and borrower’s risk profile;* • The lender or servicer of the underlying assets has committed a severe breach of consumer protection standards: <ul style="list-style-type: none"> ○ as established by the Consumer Financial Protection Bureau (CFPB) in the United States; or ○ as established by any relevant regulatory and supervisory agency in the jurisdiction where the securitisation’s originator and/or collateral are located; <p>if the breach relates to the securitisation’s underlying collateral, underwriting and servicing practices, unless there is evidence of the breach having been or being remediated;** or</p> • The originator, lender or servicers has been involved in controversy cases related to business ethics and fraud that the Investment Adviser views as “Very Severe” based on data by relevant ESG data providers, and where the Investment Adviser considers appropriate remedial action has not been taken. <p>* A loan is considered a predatory loan if:</p> <ul style="list-style-type: none"> • Interest rates do not comply with U.S. usury laws or the equivalent in other jurisdictions; or • Interest rates being offered exceed a limit for which the Investment Adviser deems to be exceedingly higher than the industry standard. The Investment Adviser may choose to proceed with an investment where interest rates where interest rates surpass this level if following enhanced due diligence (including through direct

	<p>engagement with the lending team and/or servicing department on the securitisation deal), the Investment Adviser determines that access to the loan is still beneficial to the borrower when taking into consideration its risk profile and alternative borrowing options. The interest rate levels which are considered industry standard are subject to periodic review by the Investment Adviser, based on the prevailing market conditions and prevailing rates across the industry at the time.</p> <p>** This exclusion criterion does not apply to lenders or servicers of U.S. government sponsored mortgage-backed securities, as their compliance of such securitisations with local regulatory standards is already monitored by the U.S. government on an ongoing basis. Such investments will be considered to fall within “#1 Aligned with E/S characteristics”, in response to the question, “<i>What is the asset allocation planned for this financial product?</i>”</p>
<p>Sustainable investments</p>	<p>The Fund will maintain a minimum of 20% of sustainable investments, which meet the criteria as set out in response to the question, “<i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i>”</p>

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund’s SFDR Website Disclosure.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not target a specific reduction rate of the scope of investments.

● ***What is the policy to assess good governance practices of the investee companies?***

As part of its bottom-up, fundamental research process, the Investment Adviser systematically incorporates the assessment of an issuer’s corporate governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance, in order to ensure that every investee company follows good governance practices.

This is done through the monitoring of data on governance-related, as well as on other environmental and/or social factors and controversies, sourced from third party providers, through in-house research, and through engagement with the management of selected issuers on corporate governance and disclosure issues.

In addition, the Fund’s sustainable investments exclude any company that is involved in very severe governance-related controversies.



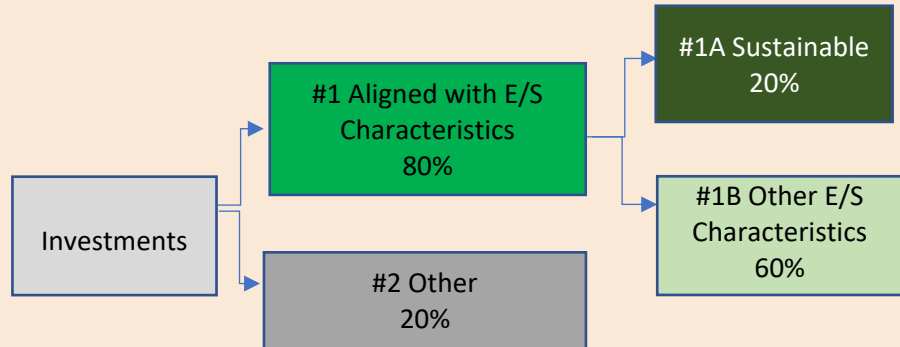
Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The exclusions (as described above) will be applied to at least 80% of the portfolio, however the Fund also expects to allocate a minimum of 20% of its assets to sustainable investments. Among these sustainable investments, the Fund commits to make a minimum of 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time.

A maximum of 20% of the Fund's assets may be invested in hedging and/or cash instruments for efficient portfolio management purposes, which do not align with any environmental or social characteristics.

As explained above, any investments that are held by the Fund but become restricted because they breach the investment exclusions set out above, after they are acquired for the Fund, will be sold. Such sales will take place over a period of time to be determined by the Investment Adviser, taking into account the best interests of the shareholders of the Fund. Such investments are included in the "#2 Other" category.

These percentages are measured according to the value of the investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives may be used by the Fund for investment or efficient portfolio management (including hedging) purposes only. These instruments are not used to attain the environmental or social characteristics of the Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable – the Investment Adviser does not take account of the EU Taxonomy in its management of the Fund and as such the Fund’s sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

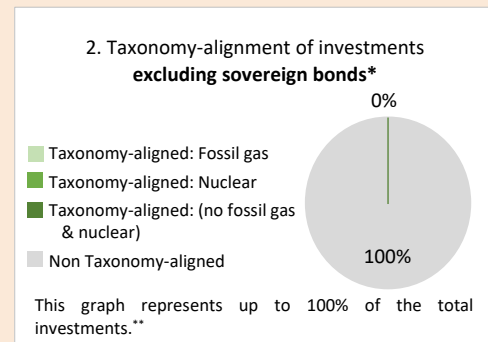
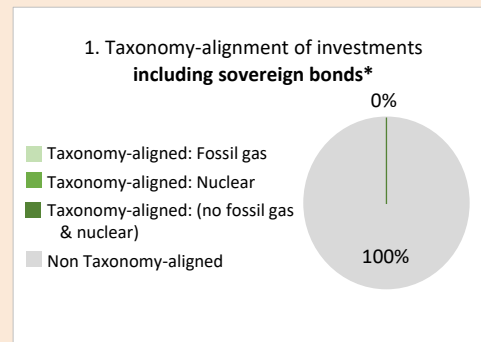
- Yes:
 In fossil gas In nuclear energy
 No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.

**The proportion of total investments shown in this graph is purely indicative and may vary over time. As the Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of any sovereign exposure in the Fund’s portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

● What is the minimum share of investments in transitional and enabling activities?

Not applicable - Although the Fund commits to invest in sustainable investments within the meaning of the SFDR, there is no commitment to a minimum share of investments in transitional and enabling activities.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund may make sustainable investments, as defined under the SFDR, which contribute to either environmental or social objectives. Among these, the Fund commits to make a minimum of 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time. These sustainable investments will represent at least 20% of the portfolio holdings on an aggregated basis.

The Fund's sustainable investments with an environmental objective **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

Although some of these sustainable investments may be Taxonomy aligned, due to lack of available data regarding the Taxonomy alignment of the underlying securities, the Investment Adviser has not been able to confirm whether these investments are in fact Taxonomy aligned and accordingly will not consider them as such in calculations until this data is reported on or otherwise becomes more reliable. As such, the Investment Adviser uses its own methodology to determine whether certain investments are sustainable in accordance with the SFDR sustainable investment test, and then invests in such assets for the Fund.



What is the minimum share of socially sustainable investments?

The Fund intends to make a minimum of 20% sustainable investments, with a combination of environmental and social objectives. Among these, the Fund commits to make a minimum of 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time. These sustainable investments will represent at least 20% of the portfolio holdings on an aggregated basis.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may have investments in hedging instruments for efficient portfolio management and in cash as ancillary liquidity. These instruments are included in the “#2 Other” category and are not subject to environmental and/or social screening or any minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_globalbond_en.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Global Convertible Bond Fund

Legal entity identifier:

K3YUM7KVVWUDP746NXC39

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

It will make a minimum of **sustainable investments with an environmental objective:** ___%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** ___%

No

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the environmental characteristic of climate change mitigation by excluding investments in certain types of fossil fuels. In addition, the Fund promotes the social characteristic of avoiding investments in certain activities which can cause harm to human health and wellbeing.

Further detail on the nature of these exclusions is set out below (in response to the question, “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*”).

The Fund also aims to make a minimum of 5% sustainable investments in:

- Corporate issuers whose business practices, products or solutions, make a net positive contribution towards United Nations’ Sustainable Development Goals (“SDGs”); or
- Sustainable Bonds which make a positive environmental or social contribution through their use of proceeds, as explained in response to the question below, “*What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*”.

The Fund has not designated a reference benchmark for the purpose of attaining its environmental or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicator used to measure the attainment of the Fund’s environmental and social characteristics is the Fund’s exposure, in percentage market value, to issuers that violate any of the exclusion criteria. Additional details on the Fund’s exclusions criteria and methodology are provided below in response to the question, “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*”

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund’s sustainable investments will fall within one of the following categories:

- Green, Social or Sustainability Bonds (“Sustainable Bonds”), as labelled in the securities’ documentation, where the issuer commits to allocate the proceeds to projects making a positive environmental or social contribution. This includes, but is not limited to, bonds that align with the International Capital Market Association (ICMA)’s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines. Sustainable Bonds mobilise financing directly towards a multiplicity of environmental and social projects whose focus spans across a number of sustainability objectives. Examples include, but are not limited to, financing for renewable energy, energy efficiency, clean transportation, affordable housing, and financial inclusion projects. The specific objectives to which the Sustainable Bonds contribute depend on the eligible environmental and social project categories of each security.
- Bonds from corporate issuers whose business practices, products or solutions, make a net positive contribution towards the SDGs. The SDGs were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. The Investment Adviser defines positive contribution to the SDGs as a net positive aggregate alignment score across all the SDGs (i.e., scores measuring positive contribution to individual SDGs have to, in total, be greater than the total of any negative contribution scores), based on third-party data. The Investment Adviser will also only include issuers which have sufficient positive SDG alignment (in the Investment

Adviser's view) with at least one individual SDG, and which do not have any material misalignments (in the Investment Adviser's view) on any of the SDGs.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Fund's sustainable investments aim not to cause significant harm to any environmental or social objective, by:

- avoiding investments in issuers that violate minimum social safeguards; and
- by the Fund excluding issuers which breach thresholds set by the Investment Adviser relating to the principal adverse impact ("PAI") indicators which the Investment Adviser is required to consider by the EU Sustainable Finance Disclosure Regulation ("SFDR") rules, and which are relevant to the investment.

This assessment is conducted using in-house proprietary as well as third-party research on the sustainability characteristics of the Fund's holdings.

– ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The "do no significant harm" methodology applied by the Investment Adviser on sustainable investments seeks to exclude investments that cause harm to any of the PAI indicators (listed below) which are mandatory for the Investment Adviser to consider under the EU SFDR rules, and which are relevant to the investment.

PAI indicators:

Investee companies

1. GHG emissions
2. Carbon Footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact and OECD
11. Lack of processes and compliance mechanisms to monitor compliance with the UNGC and OECD
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons

The Investment Adviser has determined specific metrics and quantitative thresholds for what constitutes significant harm to screen PAI indicators that are relevant to the investment, using third-party data. The thresholds are set: (i) on an absolute value basis; (ii) on a relative basis in the context of the investment universe; or (iii) using pass/fail scores. Different metrics or thresholds may apply to issuers located in developed markets and in emerging markets, respectively. This is intended to reflect the different extent to which the Investment Adviser deems that meeting minimum sustainability standards in these markets is currently achievable. In addition, different relative thresholds may apply to similar indicators: for example, the Investment Adviser currently applies a lower threshold to determine significant adverse impact with respect to scope 3 emissions intensity as compared to scope 1 and 2 emissions intensity. This is because: (i) companies have less control over their indirect emissions; and (ii) data estimates for scope 3 emissions, which

currently prevail over reported data compared to scope 1 and 2 emissions, may result in a less accurate PAI assessment.

The Investment Adviser may use reasonable proxy indicators sourced from third parties to address the current lack of data for certain PAI indicators. The Investment Adviser's use of proxy indicators will be kept under review, and will be replaced by PAI data from third-party data providers when the Investment Adviser determines that sufficiently reliable data has become available.

The Investment Adviser generally conducts the PAI assessment at the issuer level. However, where appropriate the assessment may be done at the security level in whole or in part. For instance, in the case of Sustainable Bonds, as defined above, the PAI indicators that are directly related to the sustainability factors targeted by the bond's use of proceeds will be assessed at the security level, through the Investment Adviser's proprietary Sustainable Bond Evaluation Framework. As an example, the Fund may invest in a Green Bond issued by a utility company that has a negative assessment under the PAI indicators related to GHG emissions and/or GHG intensity, as long as the Investment Adviser evaluates that the issuer has a credible strategy to reduce its GHG emissions and the Green Bond specifically contributes towards such goal. Other PAI indicators that are unrelated to the Sustainable Bond's use of proceeds are assessed at the issuer level.

The Fund's PAI assessment is supported, on a qualitative basis, by the Investment Adviser's engagement with selected issuers on their corporate governance practices, as well as on other material sustainability issues related to the SDGs, in line with the Investment Adviser's Fixed Income Engagement Strategy, available on www.morganstanley.com/im

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments exclude issuers which have experienced very severe controversies that are deemed to violate the UN Global Compact, the UN Guiding Principles on Business and Human Rights, or the ILO Fundamental Principles, and issuers with very severe controversies related to violations of the OECD Guidelines for Multinational Enterprises. This screening is done using third-party data.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document include these statements. However, for the avoidance of doubt, this Fund does not: (i) take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy; or (ii) calculate its portfolio alignment with the EU Taxonomy. As such, the Fund is 0% aligned with the EU Taxonomy. The "do no significant harm" principle applies only to the portion of the Fund's investments that are sustainable investments.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

The Fund considers all of the mandatory PAI on sustainability factors which are relevant to the investment for the portion allocated to sustainable investments, as described above in response to the question, “How have the indicators for adverse impacts on sustainability factors been taken into account?”

The portion of the Fund that is not made of sustainable investments considers the PAI only in part through the Fund’s exclusionary criteria, as follows:

- The Fund excludes issuers which derive any revenue from thermal coal mining and extraction. The Fund therefore partly considers the PAI indicator 4: exposure to companies active in the fossil fuel sector.
- The Fund excludes issuers which derive any revenue from controversial weapons manufacturing or retail. The Fund therefore considers in whole the PAI indicator 14: exposure to controversial weapons.

The Fund will make information available on how it has incorporated the PAIs into the Fund in its periodic reports to investors.



What investment strategy does this financial product follow?

The Fund seeks to provide long-term capital appreciation, measured in US Dollars, through investment primarily in convertible bonds issued by companies organised or operating in either the developed or emerging markets which will be denominated in global currencies, while reducing exposure to sustainability risks through exclusionary screening of selected fossil fuels and of activities which can cause dangers to human health and wellbeing.

In addition to the ESG considerations described in this summary on a binding basis, the Fund integrates ESG considerations in the investment decision-making process to support its environmental and social characteristics on a non-binding basis, based on the Investment Adviser’s in-house research and methodologies and on third-party data.

The investment process is subject to regular review, as part of a control and monitoring framework implemented by the Investment Adviser. The Investment Adviser’s Compliance, Risk and Portfolio Surveillance teams collaborate with the investment team to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives and environmental and social characteristics, taking into account changing market conditions, information and strategy developments.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements of the investment strategy are described in the table below.

The criteria are implemented and monitored by the Investment Adviser using a combination of third-party data and in-house research.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Binding criteria	
The Fund will not invest in corporate issuers which:	<p><u>Derive any revenue from any of the following activities:</u></p> <ul style="list-style-type: none"> Controversial weapons manufacturing or retail (anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons); Civilian firearms manufacturing or retail; Tobacco manufacturing; or <p><u>Derive more than 5% revenue from any of the following activities:</u></p> <ul style="list-style-type: none"> Thermal coal mining and extraction. The Fund may, as an exception, invest in labelled Sustainable Bonds issued by fossil fuel companies, which are intended to raise proceeds specifically for projects that promote positive environmental contributions mitigating the adverse sustainability impact of coal, such as renewable energy or energy efficiency, based on information available in the bond issuance documentation.
Sustainable investments	The Fund will maintain a minimum of 5% of sustainable investments, which meet the criteria as set out in response to the question, <i>“What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”</i>

The Investment Adviser may decide to implement additional restrictions to the Fund, and such new restrictions will be disclosed in the Fund’s SFDR Website Disclosure.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not target a specific reduction rate of the scope of investments.

● ***What is the policy to assess good governance practices of the investee companies?***

As part of its bottom-up, fundamental research process, the Investment Adviser systematically incorporates the assessment of an issuer’s corporate governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance, in order to ensure that every investee company follows good governance practices.

This is done through the monitoring of data on governance-related, as well as on other environmental and/or social factors and controversies, sourced from third party providers, through in-house research, and through engagement with the management of selected issuers on corporate governance and disclosure issues.

In addition, the Fund’s sustainable investments exclude any company that is involved in very severe governance-related controversies.



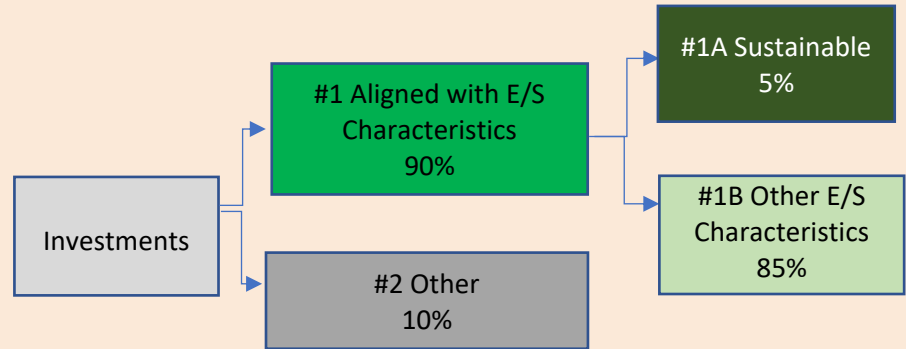
Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The exclusions (as described above) will be applied to at least 90% of the portfolio, however the Fund also expects to allocate a minimum of 5% of its assets to sustainable investments. Among these sustainable investments, the Fund commits to make a minimum of 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time.

A maximum of 10% of the Fund's assets may be invested in hedging and/or cash instruments for efficient portfolio management purposes, which do not align with any environmental or social characteristics.

These percentages are measured according to the value of the investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives may be used by the Fund for investment or efficient portfolio management (including hedging) purposes only. These instruments are not used to attain the environmental or social characteristics of the Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable – the Investment Adviser does not take account of the EU Taxonomy in its management of the Fund and as such the Fund's sustainable investments do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

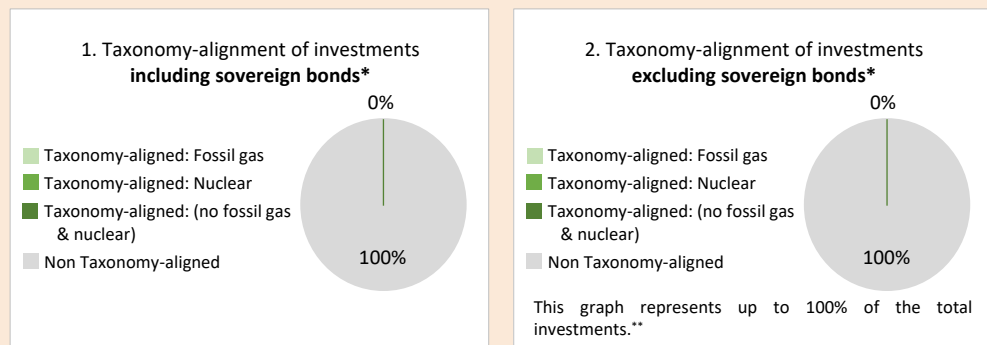
- Yes:
 In fossil gas In nuclear energy
 No

To comply with EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
 **The proportion of total investments shown in this graph is purely indicative and may vary over time. As the Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of any sovereign exposure in the Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable - Although the Fund commits to invest in sustainable investments within the meaning of the SFDR, there is no commitment to a minimum share of investments in transitional and enabling activities.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund may make sustainable investments, as defined under the SFDR, which contribute to either environmental or social objectives. Among these, the Fund commits to make a minimum of 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time. These sustainable investments will represent at least 5% of the portfolio holdings on an aggregated basis.

The Fund's sustainable investments with an environmental objective **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

Although some of these sustainable investments may be Taxonomy aligned, due to lack of available data regarding the Taxonomy alignment of the underlying securities, the Investment Adviser has not been able to confirm whether these investments are in fact Taxonomy aligned and accordingly will not consider them as such in calculations until this data is reported on or otherwise becomes more reliable. As such, the Investment Adviser uses its own methodology to determine whether certain investments are sustainable in accordance with the SFDR sustainable investment test, and then invests in such assets for the Fund.



What is the minimum share of socially sustainable investments?

The Fund intends to make a minimum of 5% sustainable investments, with a combination of environmental and social objectives. Among these, the Fund commits to make a minimum of 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time. These sustainable investments will represent at least 5% of the portfolio holdings on an aggregated basis.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may have investments in hedging instruments for efficient portfolio management and in cash as ancillary liquidity. These instruments are included in the “#2 Other” category and are not subject to environmental and/or social screening or any minimum environmental or social safeguards.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.morganstanley.com/im/publication/msinvf/regulatorypolicy/sfdrwebsite_msinvf_globalconvertiblebond_en.pdf

www.morganstanleyinvestmentfunds.com

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