

Calvert Research and Management – Q2 2025

A Holistic Approach to Climate Investing



CALVERT RESEARCH AND MANAGEMENT | April 2025

Addressing climate change is one of the most daunting challenges of all times. As an asset manager and long-term investor, at Calvert Research and Management (“Calvert”) we think identifying financially material climate-related risks and opportunities is critical to make informed decisions and help direct large-scale capital towards the goals of climate change mitigation, adaptation and resilience while pursuing investment performance for our clients.

We recognize that investors have different priorities and objectives when integrating climate-related considerations into their investment strategies. We therefore build on Calvert’s proprietary research, stewardship and engagement, and thematic capabilities to provide our clients with a range of climate-related investment solutions.

A Three-Pronged Approach to Climate Investing

Our approach spans the entire spectrum of our activities:

- 1. RESEARCH:** We seek to mitigate the sector-specific and, consequently, issuer-specific risk drivers of the low-carbon transition while capitalizing on investment opportunities in climate solutions, and issuers aligning their business models with a low-carbon economy.
- 2. ENGAGEMENT:** We adopt a targeted and structured engagement model, seeking to address the most material climate-related risk and opportunities where we believe improvement can benefit a company’s value and, in turn, our investments.
- 3. CLIMATE INVESTING SOLUTIONS:** We offer a range of investment solutions that are intended to meet different climate-related client objectives.

Each of these pillars is described in more detail below.

AUTHOR

CALVERT RESEARCH AND
MANAGEMENT

1. Research

Calvert's mission as a responsible investor is to seek to drive competitive returns and positive change for our clients by capitalizing on long-term secular trends—including climate change—and reducing related risks in our portfolios by investing in companies and other security issuers (or "issuers," combined) that are creating long-term value for their stakeholders through opportunities arising from business model innovations, technology advances, strong management of material non-financial factors, and regulatory evolution. We also recognize issuers' externalities on the environment and society, thus measuring, managing and reporting on those exposures and impacts.

A PRINCIPLES-BASED ESG RESEARCH FRAMEWORK

Calvert's proprietary research centers around the Calvert Principles for Responsible Investment (or "**Calvert Principles**"),¹ which provide a framework for our evaluation of investments and guide Calvert's stewardship on behalf of clients through active engagement with issuers. The Calvert Principles seek to identify issuers that operate in a manner that is consistent with or promote the following objectives:

- Environmental sustainability and resource efficiency;
- Equitable societies and respect for human rights; and
- Accountable governance and transparent operations.

Calvert's research analysts look at how issuers perform in terms of mitigating climate-related risks, driving sustainability innovation and resource efficiency through their

business operations or other activities. We seek to identify issuers that can do this profitably, or in an economic value-enhancing manner, by aligning activities with structural investment and market trends. Rather than excluding specific sectors or business activities entirely from our universe (unless required under applicable regulation or other product-specific requirements), we seek to maintain a research-driven approach that assesses both the financially material risks and opportunities associated with any business activity. As an example, as part of our evaluation models, we tend to penalize issuers that we find present enhanced long-term risk of stranded assets and/or reduced competitiveness; on the other hand, we reward issuers that proactively seek to capture the opportunities stemming from evolving business models and position themselves most competitively to benefit from those developments.

We refer to climate frameworks, data trends and scenarios developed by scientific and industry organizations to help inform our sector and issuer-specific analysis. When assessing an issuer's GHG emissions profile and decarbonization commitments, we seek to assess the feasibility of certain decarbonization pathways across sectors, based on our view on specific technologies and regulatory environments. This also extends to understanding what current, and potential future, physical climate risk exposures companies may face in their operations.

Importantly, we do not exclusively judge a company's potential journey within the climate transition based on its current starting point or exposure. We take a dynamic approach, where

we find opportunity in high-emitting issuers that invest and thrive in the transition, by delivering returns as they change and actively engage throughout the process.

NAVIGATING THE CLIMATE TRANSITION CHALLENGES

Across most of the sectors that are key to shifting to a low-carbon energy system, and more broadly across the global economy, we see practical challenges ahead, which include the volatility of government policies and regulatory frameworks in some countries, uncertainties around the speed of new technology development and adoption, the need for significant investment in infrastructure, as well as overconsumption habits. As a result, we think the transition process will likely follow a non-linear path in terms of the greenhouse gas (GHG) emissions reduction trend.

But there are also significant opportunities. Reducing or avoiding GHG emissions is often a by-product of an effective transition process, which stems from investments that help drive tangible outcomes, such as the deployment of clean technologies, and an increase in efficient resource use. Investments in low-carbon energy and other solutions hit a record \$2.1 trillion in 2024;² however, aligning with a net zero greenhouse gas (GHG) emissions pathway would require at least \$4.5 trillion a year by the early 2030s.³ We believe issuers that are leading their peers in effectively mitigating climate-related risks and in providing products or services that address some of these needs, are ultimately better positioned to future-proof their business, deliver long-term value for their stakeholders, and generate positive investment returns.

¹ For more details on the Calvert Principles, please refer to: <https://www.calvert.com/media/34498.pdf>.

² Source: "Energy Transition Investment Trends 2025," BloombergNEF, January 2025.

³ Source: "Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach," International Energy Agency, September 2023.

DISPLAY 1**Calvert's Approach to the Main Climate Transition Challenges**

CHALLENGES	CALVERT'S APPROACH
THE EXCLUSION VS. ACCESS TO CAPITAL DILEMMA Avoiding or divesting from high-emission industries that are willing to change could leave them without the capital or expertise to transition to new business models.	Engaging with high-emissions issuers to foster innovation and sustainable industrial practices on a competitive basis is key to achieving decarbonization goals across the entire economy. ⁴
THE EMERGING MARKETS NEGATIVE BIAS Rules-driven fossil fuel exposure reduction may unfairly penalize issuers in developing and emerging countries, which tend to be earlier in their sustainability journey, limiting their access to necessary resources for a low-carbon transition.	A more inclusive approach, which takes into consideration the local context and focuses on improvement rate, can help ensure equitable allocation of capital to support clean energy infrastructure, improving energy access and security, and economic growth. It can also bolster climate resilience in these regions, which are more exposed to physical climate events.
THE SOCIAL DIMENSION OF CLIMATE Rapid decarbonization can have negative social and economic impacts if not effectively managed, such as job losses in carbon-intensive industries or energy access issues in vulnerable communities, to name only a few.	By integrating a social equity dimension into our research and engagement approaches, we seek to support a "just" transition that balances environmental goals with social and economic wellbeing of communities, customers and workers.

This represents how the portfolio management team generally implements its investment process under normal market conditions.

At Calvert, we seek to apply a holistic approach that takes into account the key drivers of long-term decarbonization and climate adaptation, such as innovation, economic policy, job creation, and affordability, among others, in order to tackle some of the trade-offs implicit in the climate transition—as shown in *Display 1*. This approach has the potential to create portfolio-level GHG emission volatility, as an inherent part of catalyzing meaningful real-world change.

SECTOR-BASED CLIMATE MATERIALITY

The sector-based expertise of Calvert's research team ensures that our evaluations seek to fully capture the nuances and complexities of each sector, and to analyze how issuers are performing against their relevant peers. To facilitate this, we develop indicators that are proprietary to Calvert to inform our judgements on a range of topics, including activity-based emissions performance, viability of capital allocation policies, and impact of regulation on energy access and affordability.

With this in mind, our analysts have developed responsible investment theses for about 60 industries, broken down further into roughly 200 peer groups, represented in bespoke models to ensure relevant company comparison on shared risk and opportunities. For example, in sectors like insurance and agriculture, the physical impacts of climate change will be more important than transition risk exposure—which tends to be more pronounced for other sectors like utilities, energy or automotive, among others. Climate impacts also affect company financial performance differently; for example, some are more event-driven that could influence near-term earnings, whereas others are longer-dated and instead exert influence over large capital decisions and future expected returns of assets or operations. Furthermore, we do not look at individual sectors in isolation, but consider value chain impacts and explore ways to get indirect exposure to themes that may deliver a superior risk-reward balance.

For example, we have identified a set of six sector-based themes which we deem to be key to furthering the climate transition, as shown in *Display 2*. Collectively, the sectors underpinning these themes contribute to approximately 90% of global GHG emissions,⁵ but also to the vast majority of investments into clean energy, efficiency, and other innovative products and services contributing to climate mitigation and adaptation. For each of these sectors and themes, we then analyze a number of underlying sub-themes associated with the most relevant technological, operational and new market opportunities.

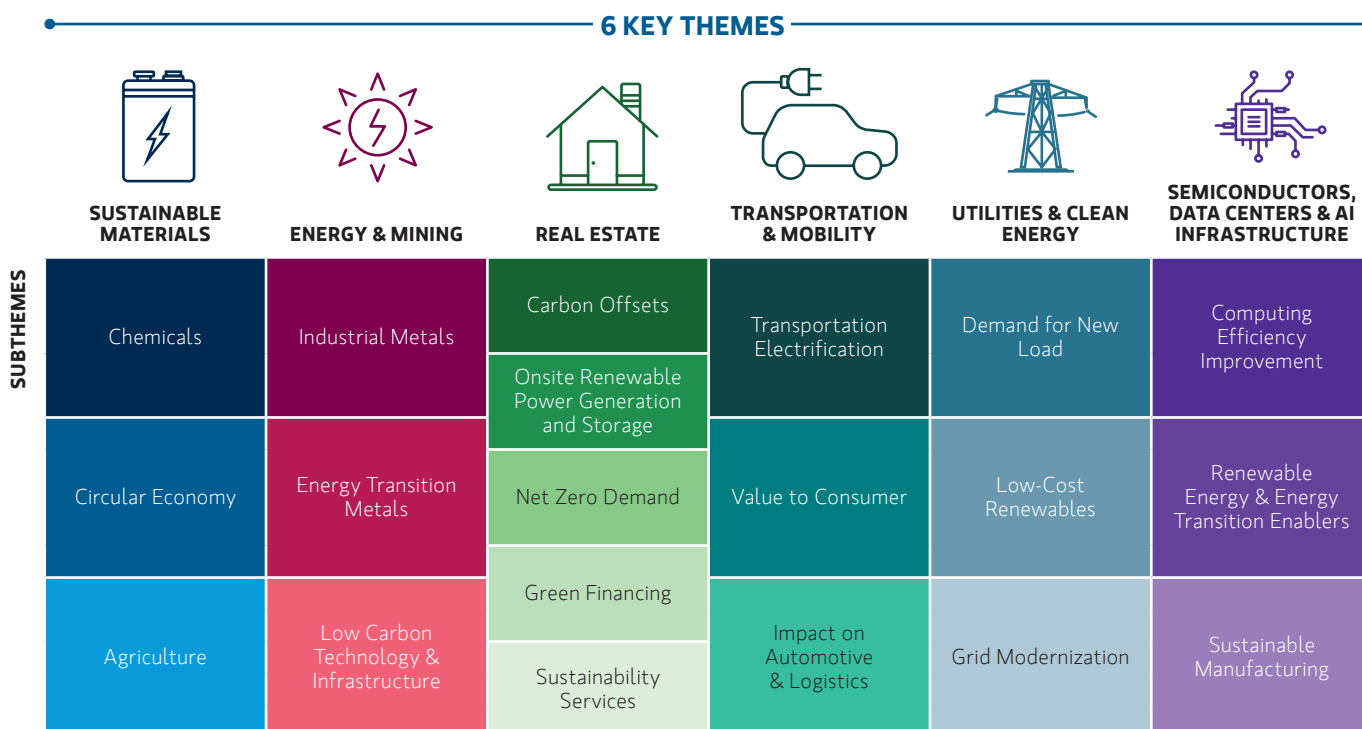
We focus on forward-looking indicators that reflect how issuers are allocating capital as our guide to underlying future change. We scrutinize corporate strategies and decarbonization targets, and treat some inherently backward-looking data points with caution as they often reflect past decisions and lack future explanatory power. Concurrently, we consider the evolution of technology

⁴ Note: Calvert's portfolio managers have discretion with respect to whether or not to own an issuer and on the weighting of that issuer in each portfolio, depending on product-specific objectives.

⁵ Source: Climate Watch and World Resource Institute (2021).

DISPLAY 2

Key Climate Transition Sector-Based Themes and Sub-Themes



Source: Calvert Research and Management, as of December 31, 2024.

adoption and policy support with regard to the climate transition, acknowledging that these can, and often do, change. In certain sectors with long investment cycles, we do this by pulling our research horizon back to a shorter timeframe, where our analysts can take a more informed judgement on the feasibility, likelihood and economics of climate plans.

To illustrate our approach: Within carbon-intensive industries, we apply both a top-down and bottom-up approach to assess issuers based on the relevant climate-related factors. Our top-down approach analyzes the outlook for different fossil fuels under various climate transition pathways, paired with a judgement on the economics of business model resiliency in the space. Our bottom-up approach assesses each company's

performance against financially material climate factors, which include some of the following:

- **GHG EMISSIONS:** We calculate our own emissions intensity metrics that account for differing reporting boundaries, value chain placement and magnitude across Scope 1, 2 and 3 emissions.⁶ By fully understanding an issuer's carbon profile, we can then assess how well it is positioned to manage it going forward.
- **CAPITAL ALLOCATION AND BUSINESS SHIFT:** We examine whether an issuer is changing its capital allocation to enable a shift toward lower carbon activities and technologies, such as biofuels, carbon capture and storage, electrification, renewable electricity generation, or hydrogen.

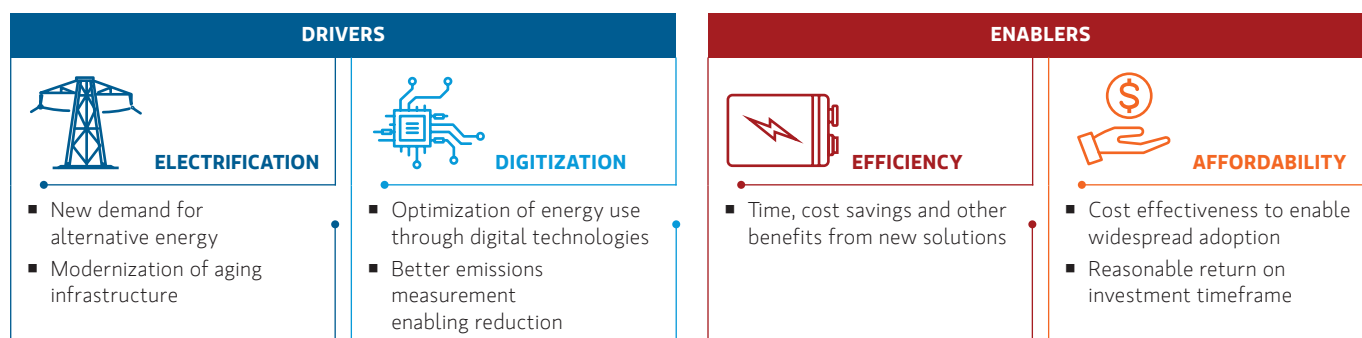
- **VALUE CHAIN PLACEMENT:** We analyze the extent to which issuers have, or engage to create, access to suppliers able to deliver low-carbon developments, as well as to the skill sets and expertise needed for climate transition-linked project delivery.

This combined sector-specific and thematic approach also guides our assessment of the potential upside from investing in issuers that are leading their peers and/or providing critical innovation and solutions to capturing the transition-related opportunities. We see the climate transition as solving a set of numerous smaller puzzles and searching for issuers that solve real-world problems, which can generate competitive returns by doing so and allocating capital accordingly.

⁶ Scope 1 emissions refer to direct emissions from company-owned or -controlled sources. Scope 2 emissions refer to emissions from purchased or acquired electricity, steam, heat and cooling. Scope 3 emissions include all other indirect emissions that occur in a company's value chain. Source: GHG Protocol.

DISPLAY 3

Key Drivers and Enablers of Climate Transition



Source: Calvert Research and Management, as of December 31, 2024.

CLIMATE LEADERS AND SOLUTIONS

Calvert's research approach takes into consideration the drivers and enablers of the climate transition and financial performance in the market at any given time, reassessing our assumptions as policy, investment trends, technology innovations and climate science evolve.

We have established a research-based framework to help our investment teams identify and allocate capital to issuers whose business models can, in our view, directly or indirectly facilitate and accelerate the low-carbon transition. This includes established low-carbon technologies and infrastructure, and also potentially transformative innovative solutions, such as next-generation energy storage, advanced nuclear power generation, and AI technology for energy optimization, which can lead to breakthroughs needed to meet decarbonization goals.

In our view, the key drivers and enablers of the climate transition consist of the following, also summarized in *Display 3*:

- **ELECTRIFICATION:** Electrification of the economy (transport, heating/cooling and industrial processes) creates the opportunity for low-carbon electricity to penetrate the

global energy system in a more fundamental way.

- **DIGITIZATION:** Use of digital technologies across sectors, including transport, energy, buildings and industry, creates opportunities for optimizing energy use and integrating intermittent low-carbon technology.
- **EFFICIENCY:** To lessen the decarbonization task at hand, energy use needs to be more efficient. Solutions that provide issuers and other end users with an advantage over previous approaches—namely, time saving, cost effectiveness and short payback periods—will gain traction.
- **AFFORDABILITY:** Solutions to climate and energy issues need to be cost effective or have a reasonable return on investment timeframe to be widely adopted and facilitate a just transition.

The analysis is intended to identify risk and opportunities associated with each driver, focusing on scenario analysis (e.g., multiple paths for the success of a certain sub-theme), where the sector stands on the sub-theme cycle (nascent, developing, mature), and how each issuer is positioned in terms of their strategic, operational and capital structure initiatives.

2. Engagement

ENGAGING FOR CHANGE

As a complement to our research, structured engagement in pursuit of improving environmental and social outcomes to drive long-term shareholder value is a core component of our investment approach. Calvert has a dedicated team of engagement professionals who use our research to uncover financially material issues where a change in a company's sustainability approach could help mitigate risk or take advantage of opportunities more effectively.⁷

We seek to bring about tangible improvements in corporate financial and social outcomes by building long-term, constructive relationships with issuers. As industry thought leaders, we promote sustainable innovations and corporate best practices.

Climate change has consistently been a long-term priority for our engagement strategy, representing the main focus in the majority of engagement interactions with issuers. As an example, in 2024, Calvert ran a thematic engagement series with a number of oil and gas majors, aimed at enhancing the reporting of methane emissions, the industry's most potent source of greenhouse

⁷ For more detail, please refer to "Tools of Change, 2024 Calvert Engagement Report."

DISPLAY 4

Calvert's Say-on-Climate Framework

CATEGORY	PRIORITY	AREA OF EVALUATION
Targets and Emissions Reporting (Scope 1, 2 and 3)	High	Net Zero Ambitions Alignment With Paris Agreement 2 Degree Scenarios Scope of Targets Short-Term and Interim Targets Science-Based Targets Absolute vs. Relative Targets Market and Location-Based Emissions Reporting
Performance and Strategy	High	Year-Over-Year Emissions Trends Capital Allocation for Climate Goals Climate Lobbying Activities and Trade Associations
Governance	Medium	Transition-Related Competencies on the Board Third-Party Assurance Annual Advisory Vote for Transition Plan
Just Transition	Low	Just Transition Considerations
Reporting	Low	TCFD or Similar Framework Reporting

This chart represents how Calvert generally implements its process under normal market conditions.

Source: Calvert Research and Management, as of December 31, 2024.

gases, by accurately measuring flaring and leaks from oil and gas operations.

SAY-ON-CLIMATE VOTING

We also incorporate support for climate mitigation strategies into our proxy voting policies. For example, a key differentiator in Calvert's engagement approach is our Say-on-Climate voting framework. Say-on-Climate are voluntary management proposals, particularly widespread in non-U.S. markets, which offer shareholders a nonbinding advisory vote on the company's climate strategy (similar to "say-on-pay" votes). When assessing corporate transition plans, we assign different levels of priority to different categories, as shown in the *Display 4*.

We have adopted a comprehensive approach to engaging on climate issues, including environmental, social and governance dimensions of corporate management of climate change issues. For example, we ask companies to explain how they intend to achieve their decarbonization goals through robust disclosure of green capex, human capital management plans, audit frameworks, and other

relevant aspects of executing an environmental strategy, which gives investors greater insight into the company's progress on implementation as well as governance oversight.

We also believe that successful climate transition strategies must incorporate just transition considerations into business planning to ensure that the concerns of workers, customers and other affected communities are considered. These dimensions are often difficult to quantify; however, their appropriate consideration can improve the likelihood that companies are able to carry out their plans without engendering social or political opposition. We therefore make them an integral part of our interactions with many of the high-emitting or transition-critical issuers we engage with.

3. Climate Investing Solutions

There is no one-size-fits-all framework for incorporating climate change considerations into investment solutions. At Calvert, we are

committed to partner with our clients to design and implement innovative, customized climate investing solutions intended to support long-term value creation while addressing systemic risks from climate change.

Building on our proprietary research and engagement capabilities, we manage a range of investment solutions across public equities and fixed income, as shown in *Display 5*, which are aligned with Calvert's philosophy and intended to meet a spectrum of climate-related objectives, matching varying levels of risk appetite.

The Calvert Principles represent a building block across these solutions. Notably, the Calvert Principles-based research approach allows us to identify, for each sector peer group, the underlying material climate-related factors that can then be further optimized or controlled as part of our climate solutions.

Calvert can also customize portfolios leveraging our research and thematic frameworks to meet specific client climate objectives, operating beyond

the boundaries of our standard Calvert Principles-determined investment universe. This is an option for clients who wish, for example, to construct portfolios focusing on specific sectors, technologies, or climate drivers or enablers, or to manage portfolios to meet targeted climate outcomes.

LOW-CARBON SOLUTIONS

We manage a suite of responsible investment solutions designed to maintain a low tracking error, broad diversification and seek positive risk-adjusted returns. These solutions aim to invest in issuers that we deem to be sustainability leaders or notable improvers in their respective sector peer groups while also maintaining the portfolio's carbon footprint significantly lower than the applicable benchmark and aiming to decarbonize over time.

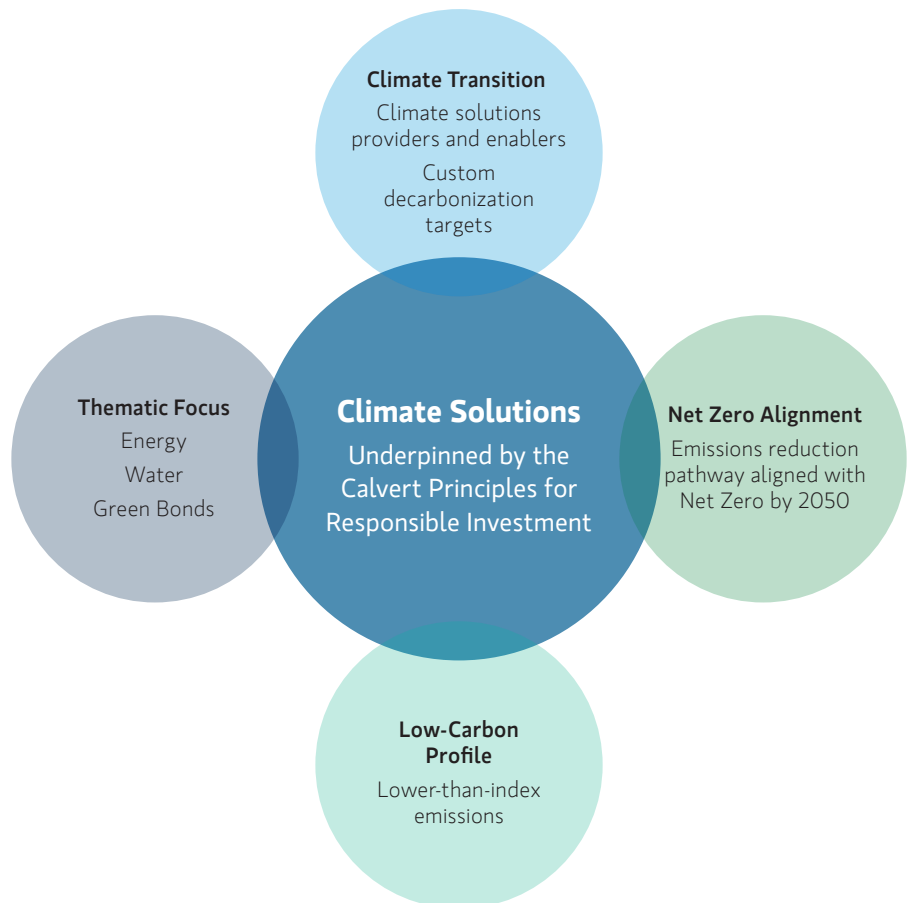
CLIMATE TRANSITION AND NET ZERO-ALIGNED SOLUTIONS

Using the research approach and frameworks previously described, we manage a number of portfolios that target allocations to issuers that contribute to the transition to a low-carbon economy.

Going one step further, our net zero-aligned solutions are designed to achieve interim and long-term decarbonization targets in line with the goals of net zero GHG emissions by 2050 and the Paris Agreement, as described in *Display 6*. While these investment strategies normally track decarbonization at the aggregate portfolio level, the investment team also looks at individual issuers' carbon profile, climate plans and momentum as part of the security selection process, to construct a portfolio of climate leaders or strong improvers. These solutions tend to skew toward lower-carbon sectors, also driven in part by applicable jurisdiction-specific

DISPLAY 5

Calvert's Climate Investing Solutions



Individual funds and client accounts may have specific ESG related goals and restrictions that affects ESG integration. Please refer to governing documents of individual vehicles to understand their binding ESG criteria.

requirements associated with net zero-aligned investment strategies.

THEMATIC SOLUTIONS

Calvert has a long-standing track record in managing thematic equity investment solutions based on proprietary frameworks.

Our climate-related thematic solutions currently provide a focus on the following topics:

ENERGY SOLUTIONS. We allocate to issuers that are significantly involved in renewable and other clean energy-related business activities through their production and/or distribution ("Renewable Energy Producers/Distributors"), technologies and

materials that assist in the move away from fossil fuels or reduce energy consumption ("Energy Technology Providers"); providers of energy efficiency solutions for residential or commercial use ("Energy Efficiency Providers"); or being themselves leaders in energy efficiency and/or the use of renewables in the most energy-intensive industries ("Energy Use Leaders").

SUSTAINABLE WATER. We invest in issuers that are actively engaged in expanding access to water, improving water quality, promoting efficient use of water, or providing solutions that address other global water challenges.

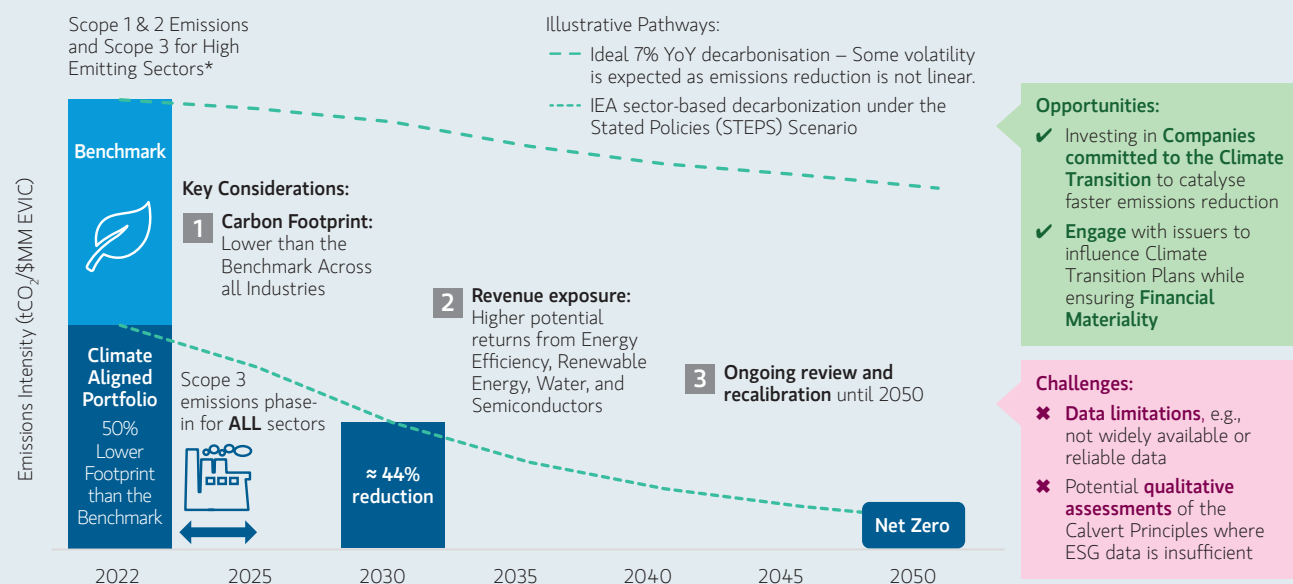
DISPLAY 6

Calvert's Net Zero Aligned Solutions

For investment strategies with a net zero-aligned decarbonization target, we track the portfolio-level carbon footprint measured in tonnes of CO₂ equivalent per US\$1 million enterprise value including cash (EVIC) or, in some cases, per \$1 million revenue. While we reckon carbon intensity metrics can be subject to some volatility associated with the financial denominators, they allow us to attribute and track financed emissions to our portfolio, in the case of EVIC, or to assess a company's carbon efficiency, in the case of revenue.

The decarbonization target covers Scope 1 and Scope 2 emissions, with a gradual phase-in of Scope 3 emissions, starting from those sectors for which, based on our research, Scope 3 are likely to constitute a material factor in overall carbon emissions, such as mining, manufacturing, construction and transportation, among others.

We also take data availability and quality into account: for example, for financial companies, financed emissions (a sub-category of Scope 3) are also considered through an assessment of information available on their business activities related to financing the climate transition.



* Scope 3 is Considered for NACE Sectors B, C, F, H and Division 81 which correspond to: Mining and Quarrying, Manufacturing, Construction, Transportation and Storage, and Services to Buildings and Landscape Activities, respectively.

Chart is for illustrative purposes, based on an illustrative corporate bond portfolio. Benchmark refers to a hypothetical benchmark. The hypothetical benchmark used is for illustrative purposes only, the actual benchmark to be used will be discussed with the client in accordance with their needs. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. This represents how the portfolio management team generally implements its investment process under normal market conditions. Individual client accounts may have specific ESG related goals and restrictions that affects ESG integration. Please refer to governing documents of individual vehicles to understand their binding ESG criteria.

GREEN BONDS. In the Fixed Income market, Green Bonds⁸ can help direct financing toward climate solutions by providing investors additional visibility into the underlying projects or assets financed through an issuer's debt. These include, among others, renewable energy production and transmission, energy efficiency in buildings, clean transportation, climate-smart agricultural solutions, and sustainable water and waste management infrastructure.

In addition to contributing to reducing the bond issuer's overall GHG emissions, these investments may also have specific positive impacts associated with the individual bond securities based on their underlying green projects. The most commonly reported impact metric associated with Green Bonds is "avoided (or reduced) emissions, which provides a measure of the extent to which the shift toward a low-carbon technology (for example, solar energy) helps

avoid or reduce GHG emissions that would have otherwise been generated through fossil fuel-based products.

Calvert launched its first Green Bond strategy in 2011, when this market was still nascent. We strongly believe these instruments play a key role as part of a sustainable investor's toolbox, to allocate toward climate solutions across asset classes. Over the years, we have been engaging with bond issuers

⁸ Green Bonds are any type of bond instrument where the proceeds raised, or an equivalent amount thereof, will be exclusively applied to finance or refinance new and/or existing eligible environmental projects.

and other stakeholders to help inform best practices in the supply of these instruments, advocate for transparency and granularity in Green Bond use of proceeds allocation and impact reporting, and contribute to the growth and credibility of the sustainable debt market.

More details on our investment solutions are available on our website at calvert.com.

Conclusion

Advances in technology and scientific research, climate scenario analysis, carbon accounting, as well as regulatory developments, prompt us, as responsible investors, to review and evolve our thinking around investing with a climate lens over time. As described above, our Calvert approach is intended to be dynamic, to be able to capture and capitalize on evolving trends across sectors

and jurisdictions, to recognize and reward climate champions but also companies and other issuers making meaningful progress.

Transitioning toward a low-carbon economy requires a concerted effort. By allocating capital thoughtfully and engaging with companies, policymakers and stakeholders, we seek to drive innovation, accountability and progress across the global economy.

Risk Considerations

Investing involves risk. The value of investments may increase or decrease in response to economic, and financial events (whether real, expected or perceived) in the U.S. and global markets. The application of responsible investment criteria may affect exposure to certain sectors or types of investments, and may impact relative investment performance depending on whether such sectors or investments are in or out of favor in the market. In evaluating an investment, the investment adviser is dependent upon information and data that may be incomplete, inaccurate or unavailable, which could adversely affect the analysis of the ESG factors relevant to a particular investment. Successful application of the portfolio's responsible investment strategy will depend on the investment adviser's skill in properly identifying and analyzing material ESG issues.

There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market.

A separately managed account may not be appropriate for all investors. Separate accounts managed according to the Strategy include a number of securities and will not necessarily track the performance of any index. Please consider the investment objectives, risks and fees of the Strategy carefully before investing. A minimum asset level is required.

For important information about the investment managers, please refer to Form ADV Part 2.

The views and opinions expressed are subject to change at any time due to market or economic conditions and may not necessarily come to pass. The views expressed do not reflect the opinions of all investment personnel at Morgan Stanley Investment Management (MSIM) and its subsidiaries and affiliates (collectively the Firm") or the views of the firm as a whole, and may not be reflected in all the strategies and products that the Firm offers.

This material has been prepared on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. However, no assurances are provided regarding the reliability of such information and the Firm has not sought to independently verify information taken from public and third-party sources.

This material is a general communication, which is not impartial, is for informational and educational purposes only, not a recommendation. Information does not address financial objectives, situation or specific needs of individual investors.

Charts and graphs provided herein are for illustrative purposes only. **Past performance is no guarantee of future results.**

Calvert is part of Morgan Stanley Investment Management. Morgan Stanley Investment Management is the asset management division of Morgan Stanley.

DISTRIBUTION

This material is only intended for and will only be distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations.

MSIM, the asset management division of Morgan Stanley (NYSE: MS), and its affiliates have arrangements in place to market each other's products and services. Each MSIM affiliate is regulated as appropriate in the jurisdiction it operates. MSIM's affiliates are: Eaton Vance Management (International) Limited, Eaton Vance Advisers International Ltd, Calvert Research and Management, Eaton Vance Management, Parametric Portfolio Associates LLC, and Atlanta Capital Management LLC.

This material has been issued by any one or more of the following entities:

EMEA

This material is for Professional Clients/Accredited Investors only.

In the EU, MSIM and Eaton Vance materials are issued by MSIM Fund Management (Ireland) Limited ("FMIL"). FMIL is regulated by the Central Bank of Ireland and is incorporated in Ireland as a private company limited by shares with company registration number 616661 and has its registered address at 24-26 City Quay, Dublin 2, D02 NY19, Ireland.

Outside the EU, MSIM materials are issued by Morgan Stanley Investment Management Limited (MSIM Ltd) is authorised and regulated by the Financial Conduct Authority. Registered in England. Registered No. 1981121. Registered Office: 25 Cabot Square, Canary Wharf, London E14 4QA.

In Switzerland, MSIM materials are issued by Morgan Stanley & Co. International plc, London (Zurich Branch) Authorised and regulated by the Eidgenössische Finanzmarktaufsicht ("FINMA"). Registered Office: Beethovenstrasse 33, 8002 Zurich, Switzerland.

Outside the US and EU, Eaton Vance materials are issued by Eaton Vance Management (International) Limited ("EVM") 125 Old Broad Street, London, EC2N 1AR, UK, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

Italy: MSIM FMIL (Milan Branch), (Sede Secondaria di Milano) Palazzo Serbelloni Corso Venezia, 16 20121 Milano, Italy. **The Netherlands:** MSIM FMIL (Amsterdam Branch), Rembrandt Tower, 11th Floor Amstelplein 1 1096HA, Netherlands. **France:** MSIM FMIL (Paris Branch), 61 rue de Monceau 75008 Paris, France. **Spain:** MSIM FMIL (Madrid Branch), Calle Serrano 55, 28006, Madrid, Spain. **Germany:** MSIM FMIL Frankfurt Branch, Große Gallusstraße 18, 60312 Frankfurt am Main, Germany (Gattung: Zweigniederlassung (FDI) gem. § 53b KWG). **Denmark:** MSIM FMIL (Copenhagen Branch), Gorrisen Federspiel, Axel Towers, Axeltorv2, 1609 Copenhagen V, Denmark.

MIDDLE EAST

Dubai: MSIM Ltd (Representative Office, Unit Precinct 3-7th Floor-Unit 701 and 702, Level 7, Gate Precinct Building 3, Dubai International Financial Centre, Dubai, 506501, United Arab Emirates. Telephone: +97 (0)14 709 7158).

This document is distributed in the Dubai International Financial Centre by Morgan Stanley Investment Management Limited (Representative Office), an entity regulated by the Dubai Financial Services Authority ("DFSA"). It is intended for use by professional clients and market counterparties only. This document is not intended for distribution to retail clients, and retail clients should not act upon the information contained in this document.

This document relates to a financial product which is not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying any documents in connection with this financial product. Accordingly, the DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it. The financial product to which this document relates may be illiquid and/or subject to restrictions on its resale or transfer. Prospective purchasers should conduct their own due diligence on the financial product. If you do not understand the contents of this document, you should consult an authorised financial adviser.

U.S.

NOT FDIC INSURED. OFFER NO BANK GUARANTEE. MAY LOSE VALUE. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT A DEPOSIT.

LATIN AMERICA (BRAZIL, CHILE COLOMBIA, MEXICO, PERU, AND URUGUAY)

This material is for use with an institutional investor or a qualified investor only. All information contained herein is confidential and is for the exclusive use and review of the intended addressee, and may not be passed on to any third party. This material is provided for informational purposes only and does not constitute a public offering, solicitation or recommendation to buy or sell for any product, service, security and/or strategy. A decision to invest should only be made after reading the strategy documentation and conducting in-depth and independent due diligence.

ASIA PACIFIC

Hong Kong: This material is disseminated by Morgan Stanley Asia Limited for use in Hong Kong and shall only be made available to "professional investors" as defined under the Securities and Futures Ordinance of Hong Kong (Cap 571). The contents of this material have not been reviewed nor approved by any regulatory authority including the Securities and Futures Commission in Hong Kong. Accordingly, save where an exemption is available under the relevant law, this material shall not be issued, circulated, distributed, directed at, or made available to, the public in Hong Kong. **Singapore:** This material is disseminated by Morgan Stanley Investment Management Company and should not be considered to be the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor under section 304 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"); (ii) to a "relevant person" (which includes an accredited investor) pursuant to section 305 of the SFA, and such distribution is in accordance with the conditions specified in section 305 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. This publication

has not been reviewed by the Monetary Authority of Singapore.

Australia: This material is provided by Morgan Stanley Investment Management (Australia) Pty Ltd ABN 22122040037, AFSL No. 314182 and its affiliates and does not constitute an offer of interests. Morgan Stanley Investment Management (Australia) Pty Limited arranges for MSIM affiliates to provide financial services to Australian wholesale clients. Interests will only be offered in circumstances under which no disclosure is required under the Corporations Act 2001 (Cth) (the "Corporations Act"). Any offer of interests will not purport to be an offer of interests in circumstances under which disclosure is required under the Corporations Act and will only be made to persons who qualify as a "wholesale client" (as defined in the Corporations Act). This material will not be lodged with the Australian Securities and Investments Commission.

JAPAN

For professional investors, this material is circulated or distributed for informational purposes only. For those who are not professional investors, this material is provided in relation to Morgan Stanley Investment Management (Japan) Co., Ltd. ("MSIMJ")'s business with respect to discretionary investment management agreements ("IMA") and investment advisory agreements ("IAA"). This is not for the purpose of a recommendation or solicitation of transactions or offers any particular financial instruments. Under an IMA, with respect to management of assets of a client, the client prescribes basic management policies in advance and commissions MSIMJ to make all investment decisions based on an analysis of the value, etc. of the securities, and MSIMJ accepts such commission. The client shall delegate to MSIMJ the authorities necessary for making investment. MSIMJ exercises the delegated authorities based on investment decisions of MSIMJ, and the client shall not make individual instructions. All investment profits and losses belong to the clients; principal is not guaranteed. Please consider the investment objectives and nature of risks before investing. As an investment advisory fee for an IAA or an IMA, the amount of assets subject to the contract multiplied by a certain rate (the upper limit is 2.20% per annum (including tax)) shall be incurred in proportion to the contract period. For some strategies, a contingency fee may be incurred in addition to the fee mentioned above. Indirect charges also may be incurred, such as brokerage commissions for incorporated securities. Since these charges and expenses are different depending on a contract and other factors, MSIMJ cannot present the rates, upper limits, etc. in advance. All clients should read the Documents Provided Prior to the Conclusion of a Contract carefully before executing an agreement. This material is disseminated in Japan by MSIMJ, Registered No. 410 (Director of Kanto Local Finance Bureau (Financial Instruments Firms)), Membership: the Japan Securities Dealers Association, The Investment Trusts Association, Japan, the Japan Investment Advisers Association and the Type II Financial Instruments Firms Association.