

Morgan Stanley Funds (UK)

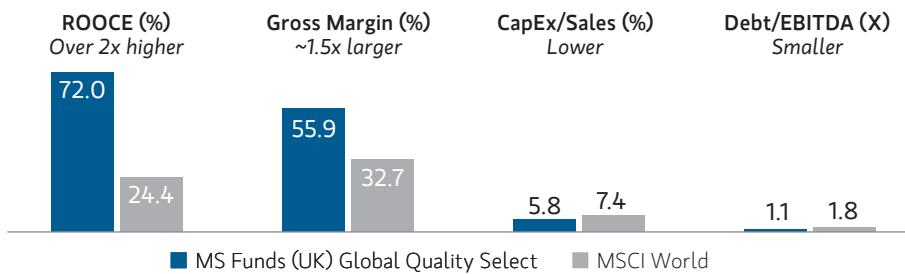
Global Quality Select Fund

INTERNATIONAL EQUITY TEAM | ESG FACTCARD | 30 SEPTEMBER 2025

Global Quality Select is a high-conviction, ESG-integrated global equity portfolio which seeks to be strong on engagement, light on carbon and built on quality. We use bottom-up fundamental analysis and actively engage with companies to identify potentially material ESG risks and opportunities that could threaten or enhance company fundamentals and/or the sustainability of returns. The Fund has a robust carbon-related screening policy and filtering process to exclude carbon-intensive sectors. It also excludes contentious sectors and business activities including Adult Entertainment, Alcohol, Civilian Firearms, Gambling, Tobacco and Weapons.*

High Quality Investing¹

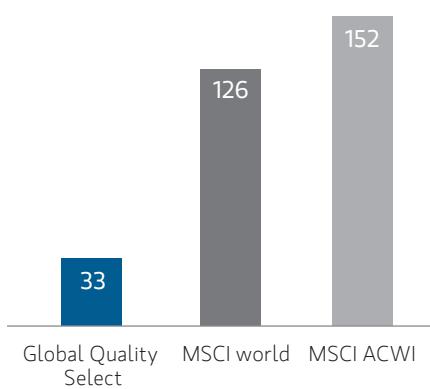
ESG is integrated without relaxing our quality criteria. The result is a portfolio of high quality compounders that meet stringent criteria seeking high, sustainable returns on operating capital.



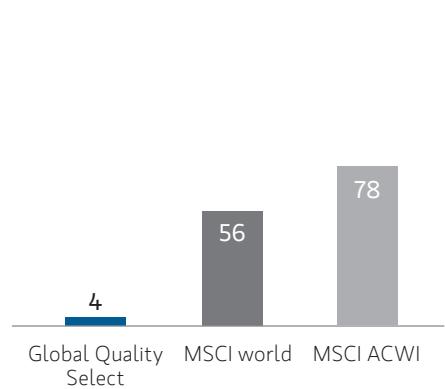
Light on Carbon^{2,3}

Global Quality Select seeks to achieve a lower carbon intensity than the MSCI ACWI through its focus on capital light businesses and exclusion of carbon-intensive sectors. The portfolio has a carbon footprint 78% lower (Scope 1 and 2 emissions) than MSCI ACWI per £1m sales, and 95% lower per £1m invested.

Tons CO₂e/£m Sales Scope 1 + 2 emissions



Tons CO₂e/£m Invested Scope 1 + 2 emissions



* The Investment Team excludes any company that generates more than 5% of its revenue from tobacco-related business activities. For the other listed activities, the team excludes any company that generates more than 10% of its revenue from the relevant business activity. As classified by the MSCI ESG Business Involvement Screening Research ("MSCI ESG BISR") database.

¹ Quality ratios are historical. ROOCE (Return on Operating Capital Employed) = EBITA (Earnings Before Interest, Taxes and Amortization) / PPE (Property, Plant, Equipment) + Trade working capital (excludes goodwill). ROOCE, Gross Margin, CapEx/Sales, and Net Debt to EBITDA use last reported ex-Financials data. Characteristics are calculated using the underlying companies in the Global Quality Select Fund. Data as of 30 September 2025. Updated quarterly.

² Trucost data as of 30 September 2025 for the Morgan Stanley Funds (UK) Global Quality Select Fund. Updated quarterly.

³ Trucost defines a portfolio's carbon intensity as the carbon emissions (Scope 1 and 2) of a portfolio per £1 million invested or per £1 million of portfolio companies' sales. The portfolio-level statistics show the weighted average carbon intensity (WACI). For further information on restrictions, please refer to the Fund's Restriction Screening Policy. Global Quality Select seeks to achieve a greenhouse gas (GHG) emissions intensity that is significantly lower than that of the reference universe (which is defined, only for the purposes of comparing GHG emissions intensity, as companies of the MSCI AC World Index).

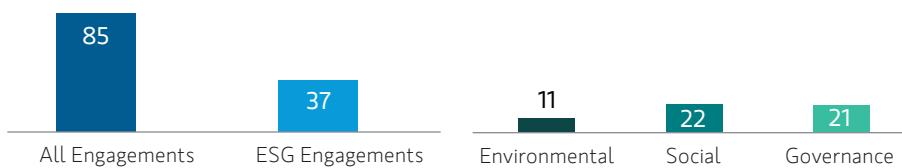
Active Engagement

The team has engaged directly with companies on issues potentially material to the sustainability of returns on operating capital for over 20 years.

Engagements in the last 12 months⁴

Engagements across Fund holdings

Number of engagements on ESG-related topics⁵



Exclusionary Screening of the Investment Universe

GREENHOUSE GAS (GHG) EMISSIONS INTENSITY CRITERIA EXCLUSIONS

The investment team excludes any company:



With any tie to fossil fuels,⁶ or assigned to the following: Construction Materials, Energy, Metals & Mining, Utilities (excluding Renewable Electricity and Water Utilities).⁷



For which GHG emissions intensity estimates are not available and/or cannot be estimated.



The remaining issuers are ranked according to their GHG emissions intensity. Those with the highest intensity are excluded.

SECTOR/INDUSTRY EXCLUSIONS⁸

The team also excludes any company:



Whose core business activity involves adult entertainment, alcohol, civilian firearms, gambling, tobacco and weapons.

CONTROVERSIAL WEAPONS⁸



The Fund will not invest in any company with any tie to controversial weapons.

⁴ The International Equity team defines an engagement as an interaction with senior management or non-executive board member. Engagements may also be those with companies' investor relations and/or sustainability teams. Data from 1 July 2024 - 30 June 2025. Updated semi-annually. Data extracted on 22 July 2025. We use an internal system of subject classification for our team's engagements. Data and subject classifications are subject to change and may be updated from time to time at the team's discretion. Engagements are reported based on companies held in the portfolio as of the end of the period and therefore do not include companies sold during the period. Research engagements conducted with companies not held in the portfolio are also not included in the figures provided.

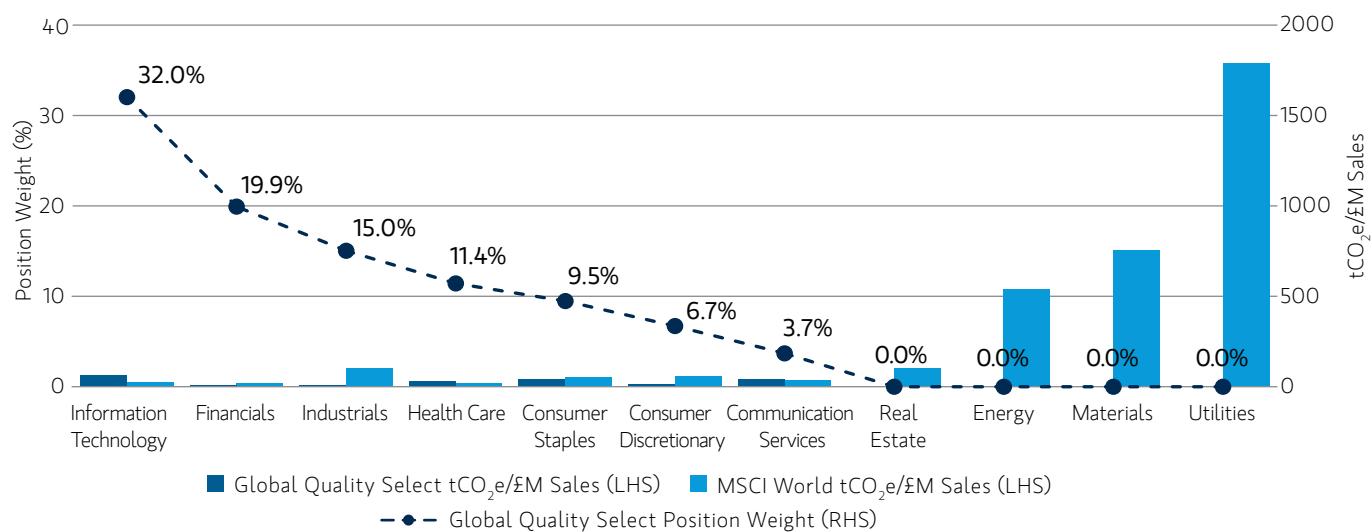
⁵ Total count of ESG topics is higher than total number of ESG engagements as more than one topic may be discussed in a meeting.

⁶ Companies with a tie to fossil fuels (thermal coal, oil and gas), in particular reserve ownership, related revenues and power generation.

⁷ Utilities (excluding Renewable Electricity and Water Utilities), including any company whose core business activity involves nuclear power generation and/or nuclear power trading.

⁸ As determined by the MSCI ESG Business Involvement Screening Research ("MSCI ESG BISR") database. Further details can be found in the Global Quality Select Restriction Screening Policy on www.msim.com.

Global Quality Select excludes the most carbon intensive sectors⁹



Investment Team-Led Engagement

As active managers with a long-term investment horizon, we believe we are well positioned to engage with companies on potentially financially material ESG topics and encourage companies towards better practices.

Our engagement record in the last 12 months^{10,11}

98

Engagements on ESG issues

1,537

Resolutions voted on across all our strategies

107

Times we disagreed with ISS recommendations

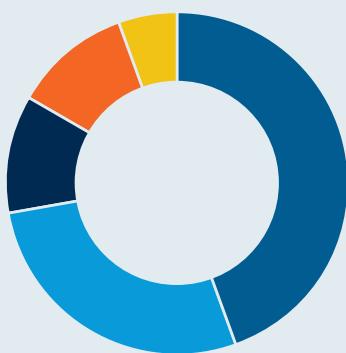
149

Times we voted against management recommendations

Topics addressed during our engagements for Global Quality Select in the last 12 months^{11,12}

The following diagrams show the number of E, S, and G engagements by topic.

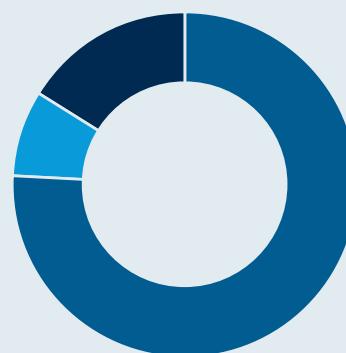
Environmental



Social



Governance



⁹ Source: MSCI, Morgan Stanley Investment Management, Trucost. Data as of 30 September 2025. Updated quarterly. Data reflects Scope 1 and 2 emissions. The Morgan Stanley Funds UK Global Quality Select Fund excludes the following sectors/industries: Construction Materials, Energy, Metals & Mining, and Utilities (excluding Renewable Electricity and Water Utilities).

¹⁰ Data shown is for the 12-month period from 1 July 2024 - 30 June 2025 across all strategies. Data updated semi-annually.

¹¹ Data extracted on 22 July 2025. We use an internal system of subject classification for our team's engagements. Data and subject classifications are subject to change and may be updated from time to time at the team's discretion. Engagements are reported based on companies held in the portfolio as of the end of the period and therefore do not include companies sold during the period. Research engagements conducted with companies not held in the portfolio are also not included in the figures provided.

¹² Data shown is for the 12-month period from 1 July 2024 - 30 June 2025 for companies held in the Morgan Stanley Funds UK Global Quality Select Fund. Total count of ESG topics is higher than total number of ESG engagements as more than one topic may be discussed in a meeting. Data updated semi-annually.

Diligent Attention to Proxy Voting Responsibilities

During the 12-month period from 1 July 2024 - 30 June 2025 we voted at 42 meetings and on 647 proposals for the companies held in Global Quality Select. Overall, we voted against management in 10% of cases. The most common reasons for voting against management were related to remuneration, board structure and proposals related to social and environmental issues.

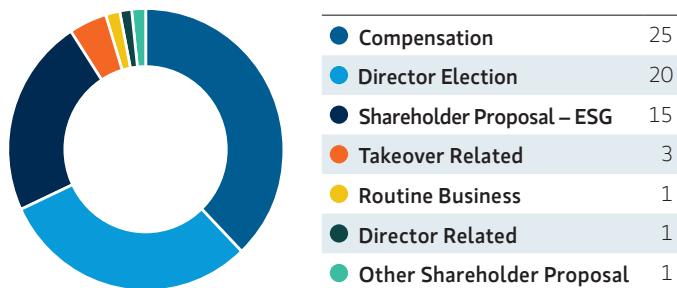
Proxy voting overview—Global Quality Select¹³

(12 months from 1 July 2024 - 30 June 2025)

Total number of meetings held	42
Total proposals voted	647
% votes in favour of management	90%
% votes against management	10%
% votes abstained/did not vote	0%
% meetings with at least one vote against management	79%

Source: ISS Proxy Exchange, MSIM.

Votes against management by topic

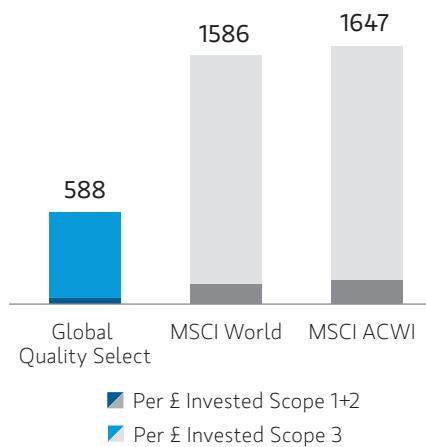


Global Quality Select is Carbon Light

While Scope 3 emissions—indirect emissions relating to the supply chain (upstream) and customers' logistics and product use emissions (downstream)—are harder to quantify and companies have limited direct control over them, many companies are trying to better understand and report on their full value chain emissions. Taking all three scopes into account, the portfolio is 64% lower than MSCI ACWI per £1m sales, and 84% lower per £1m invested.

Significantly lower carbon footprint than the index¹⁴

Tons CO₂e / £m Sales



Tons CO₂e / £m Invested



MSCI Scores¹⁵

We examine ESG risks and opportunities on a case-by-case basis for the companies we hold, without seeking to meet overall portfolio targets or ratings of external data providers. We provide scores here as reference for those who use them.



¹³ Due to rounding, values may not sum to 100. Data updated semi-annually.

¹⁴ Data as of 30 September 2025 for the Morgan Stanley Funds (UK) Global Quality Select Fund. Updated quarterly. The portfolio-level statistics show the weighted average carbon intensity (WACI).

¹⁵ Source: Morgan Stanley Investment Management. Data as of 30 September 2025.

Risk Considerations

The risk and reward category shown is based on historic data.

- Historic figures are only a guide and may not be a reliable indicator of what may happen in the future.
- As such this category may change in the future.
- The higher the category, the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk free investment.
- The fund is in this category because it invests in company shares and the fund's simulated and/or realised return has experienced high rises and falls historically.
- The fund may be impacted by movements in the exchange rates between the fund's currency and the currencies of the fund's investments.

This rating does not take into account other risk factors which should be considered before investing, these include:

- The fund relies on other parties to fulfill certain services, investments or transactions. If these parties become insolvent, it may expose the fund to financial loss.
- Sustainability factors can pose risks to investments, for example: impact asset values and increased operational costs.
- There may be an insufficient number of buyers or sellers which may affect the funds ability to buy or sell securities.
- Investment in China A-Shares via Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programs may also entail additional risks, such as risks linked to the ownership of shares.
- Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. The value of investments and the income from them can go down as well as up and investors may lose all or a substantial portion of his or her investment.
- The value of the investments and the income from them will vary and there can be no assurance that the Fund will achieve its investment objectives.
- Investments may be in a variety of currencies and therefore changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Furthermore, the value of investments may be adversely affected by fluctuations in exchange rates between the investor's reference currency and the base currency of the investments.

DEFINITIONS

Capital expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment. CapEx is often used to undertake new projects or investments by a company. Making capital expenditures on fixed assets can include repairing a roof, purchasing a piece of equipment, or building a new factory. This type of financial outlay is made by companies to increase the scope of their operations or add some economic benefit to the operation.

INDEX INFORMATION

The **MSCI All Country World Index (ACWI)** is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets. The term "free float" represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The performance of the Index is listed in U.S. dollars and assumes reinvestment of net dividends.

The **MSCI World Net Index** is a free float adjusted market capitalization weighted index that is designed to measure the global equity market performance of developed markets. The term "free float" represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The performance of the Index is listed in U.S. dollars and assumes reinvestment of net dividends. The index is unmanaged and does not include any expenses, fees or sales charges. It is not possible to invest directly in an index.

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