

Marketing Communication

SFDR Article 8 Website Disclosure

Morgan Stanley Investment Funds

MARCH 2025

This document applies to each of the following products (“the fund”):

Product	Legal entity identifier
Global Asset Backed Securities Focused Fund	254900Q1PQGYNB1JBJ13

SFDR Article 8 Website Disclosure

Summary

No Sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The fund will have a minimum proportion of sustainable investments.

The “do no significant harm” methodology applied by the investment manager seeks to ensure that the fund’s sustainable investments do not cause significant harm to any of the mandatory principal adverse impact (“PAI”) indicators in the EU SFDR rules that are relevant to the investment and comply with certain minimum social safeguards.

Environmental or social characteristics of the financial product

The fund promotes environmental and social characteristics by excluding investments in securitisations that violate responsible business or lending practices, and by seeking to invest in securitisations that it considers to be best-in-class on ESG matters, including but not limited to certified energy efficient buildings, affordable housing lending or access to credit for underserved social groups.

The fund also aims to make sustainable investments in labelled Sustainable Securitizations which make a positive environmental and/or social contribution through their use of proceeds.

Investment Strategy

The fund meets its environmental and social characteristics through (a) exclusions of securities linked with predatory lending practices, breaches in compliance of standards of the Consumer Financial Protection Bureau (CFPB), severe malpractice in payment collection processes and foreclosure practices, or fraudulent behaviour; and (b) tilting the portfolio in favour of best-in-class ESG-scored securitisations, based on the investment manager’s proprietary ESG scoring methodology.

In addition, the fund aims to invest a proportion of its assets in sustainable investments (as described above).

As part of its bottom-up, fundamental research process, the investment manager systematically incorporates the assessment of an issuer’s corporate governance and business practices.

Proportion of Investments

Aligned with E/S characteristics	80%
<i>Sustainable investments</i>	10%
<i>Taxonomy aligned</i>	0%
<i>Other environmental</i>	1%
<i>Social</i>	1%
<i>Other E/S characteristics</i>	70%
Other investments	20%

The investments aligned with environmental or social characteristics are comprised entirely of investments in securitised instruments which provide exposure to underlying loan assets.

These percentages are measured according to the value of the investments.

Monitoring of environmental or social characteristics

The environmental and social characteristics are monitored by the investment team, using a combination of portfolio screening tools, research, and manual desk reviews and analyses.

The investment manager’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.

Methodologies

Compliance with the exclusionary screens is measured based on the percentage of the fund’s investments which breach the exclusionary screens.

The investment manager primarily assesses the sustainability characteristics of each investment in the fund through a proprietary Securitised Sustainability Framework. Sustainable Securitizations are further assessed by the investment manager through a proprietary Sustainable Bond Assessment framework to determine the robustness of these labelled transactions.

Data sources and processing

The investment manager primarily relies on the proprietary frameworks mentioned above to analyse the fund’s investments. The investment manager also leverages ESG data from external vendors. This data is collected and stored in Morgan Stanley’s centralized ESG data repository, to allow any Morgan Stanley business unit, including Morgan Stanley Investment Management (MSIM), to access the information for research, portfolio analysis and construction, including through the investment team’s portfolio management systems, and for client and regulatory reporting.

Due to gaps in data coverage, a small proportion of the data which is used to assess alignment with E/S characteristics is estimated data.

Limitations to methodologies and data

The fund may use reasonable proxy data for PAI indicators where the investment manager considers that the data is

not widely or reliably available. For further details of data limitations, please see the full website disclosure.

The investment manager takes reasonable steps to ensure that the fund is able to meet its environmental and social characteristics despite these limitations, including reviewing and assessing proxies to ensure they are appropriate substitutes for the ESG themes promoted by the relevant PAI indicator.

Availability of sustainability-related data for the loans and assets underpinning securitised investments is very limited, and, where available, it is usually provided to investors on a pre-trade basis only.

Despite these limitations, which impact all investors in securitisations and are not particular to MSIM, the investment manager takes reasonable steps to ensure that these factors do not have a negative impact on the E/S characteristics of the fund.

Due diligence

The investment manager combines quantitative and fundamental methodologies to assess the fund's investment universe, composed of residential MBS, commercial MBS, and ABS, and to examine candidates for purchase.

The due diligence process is conducted by a team of dedicated mortgage/securitised research analysts who conduct analysis of Securitized assets across the credit spectrum.

The analysis of each security's underlying loans or collateral covers factors including, but not limited to: property attributes such as location or sub-market strength; occupancy rates; borrowers' assets, credit availability, and history of prepayments or defaults.

As part of this process, the investment manager also conducts bottom-up due diligence on the securities to identify any sustainability risks that could impact the value of the assets, as well as any positive contribution to environmental or social characteristics, which is considered by the investment manager when making investment decisions on a non-binding basis. The due diligence process is based on in-house research and, where available, third-party data, and it is based on the investment manager's proprietary Securitized Sustainability Framework. The due diligence is then complemented by a detailed projected cash flow analysis, interest payment stability, and the evaluation of potential returns across different market and economic scenarios.

Engagement policies

The investment manager may engage with management teams of lenders or servicers, on an as-needed basis, to request further details around a securitisation, such as clarifications on loan rates setting and payment collection mechanisms, or in case high risk loans are identified, in order to obtain additional information.

Designated reference benchmark

The fund has not designated a reference benchmark for the purpose of attaining its environmental or social characteristics.

SFDR Article 8 Website Disclosure

No Sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The fund aims to invest a minimum proportion of 10% of its assets in sustainable investments.

The fund seeks to ensure that the sustainable investments of the fund do not cause significant harm to relevant environmental or social sustainable investment objectives by:

- Testing whether the investment meets the thresholds set by the investment manager for each of the PAI indicators which are mandatory for the investment manager to consider under the EU SFDR rules and which are relevant to the investment; and
- Ensuring that the sustainable investments of the fund are aligned with the OECD Guidelines for Multinational Enterprises and the UN Principles on Business and Human Rights.

Environmental or social characteristics of the financial product

The fund promotes the following environmental and social characteristics:

- **Exclusions:** The fund promotes the social characteristic of avoiding investments in mortgage-backed securities or any other asset-backed securities (“securitisations”) that violate responsible business or lending practices. Further detail on the nature of these exclusions is set out below (in response to the section below titled, “*Investment Strategy*”).
- **Best-in-class ESG screening:** The fund also seeks to invest in securitisations that it considers to be best-in-class on ESG matters, based on proprietary ESG scores calculated by the investment manager, and in doing so, it seeks to promote 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.
- **Sustainable Investments:** The fund aims to make a minimum of 10% sustainable investments in labelled Sustainable Securitizations (as defined below), which make a positive environmental and/or social contribution through their use of proceeds, as explained in response to the section below, “*Methodologies*”.

Investment Strategy

Investment strategy used to meet the environmental and social characteristics promoted by the fund

As part of its investment strategy, the fund aims at reducing exposure to securitisations that violate responsible business or lending practices, through exclusionary screening.

The fund also makes a proportion of allocations to Sustainable Securitizations, 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 manager 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.

In addition, the securitisations are subject to a Best-in-Class ESG Screening. The investment manager assigns to securitisations an ESG Securitized Score (from 1 to 5, where 5 is the best) based on analysis of the nature of the underlying loan/asset, taking into account ESG considerations including, but not limited to: the environmental impact of the underlying properties in commercial mortgage-backed securities (e.g., industrial plants, waste and pollution) and in asset-backed securities (autos or aircraft emissions); the type of borrowers in residential mortgage-backed securities and consumer loan asset-backed securities (e.g., affordable lending to disadvantaged borrowers or to underserved demographics); and lending and collection practices of lenders and servicers. The fund shall not knowingly purchase a securitisation deemed to have negative sustainability characteristics, based on the investment manager's proprietary securitized ESG score, 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.

Binding criteria	Description
<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 severe malpractice around payment collection or has unjustifiably aggressive foreclosure practices; • 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 the investment manager considers there is evidence of the breach having been or being remediated;** or</p> <ul style="list-style-type: none"> • The originator, lender or servicer has been involved in controversy cases related to business ethics and fraud that the investment manager views as significant based on data by relevant ESG data providers, and where the investment manager 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 manager deems to be exceedingly higher than the industry standard. <p>The investment manager may choose to proceed with an investment where interest rates surpass this level if following enhanced due diligence (including through direct engagement with the lending team and/or servicing department on the securitisation deal), the investment manager 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 manager, 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 section titled, “Proportion of investments”.</p>

Best-in-class ESG screening	<p>The fund will only invest in securitisations which are rated 3, 4, 5 in an ESG score range of 1-5, where 5 is best. The distribution of ratings is not homogenous. A rating of 3 or greater than 3 signifies that the underlying assets of the securitisation demonstrate responsible lending practices. There is no minimum percentage of securitisations which must be excluded from the investment universe in order to meet this characteristic.</p> <p>Additional details on the investment manager's ESG scoring methodologies are available on www.morganstanley.com/im.</p>
Sustainable investments	<p>The fund will maintain a minimum of 10% of sustainable investments, which meet the criteria as set out in response to the section titled, "<i>Methodologies</i>".</p>

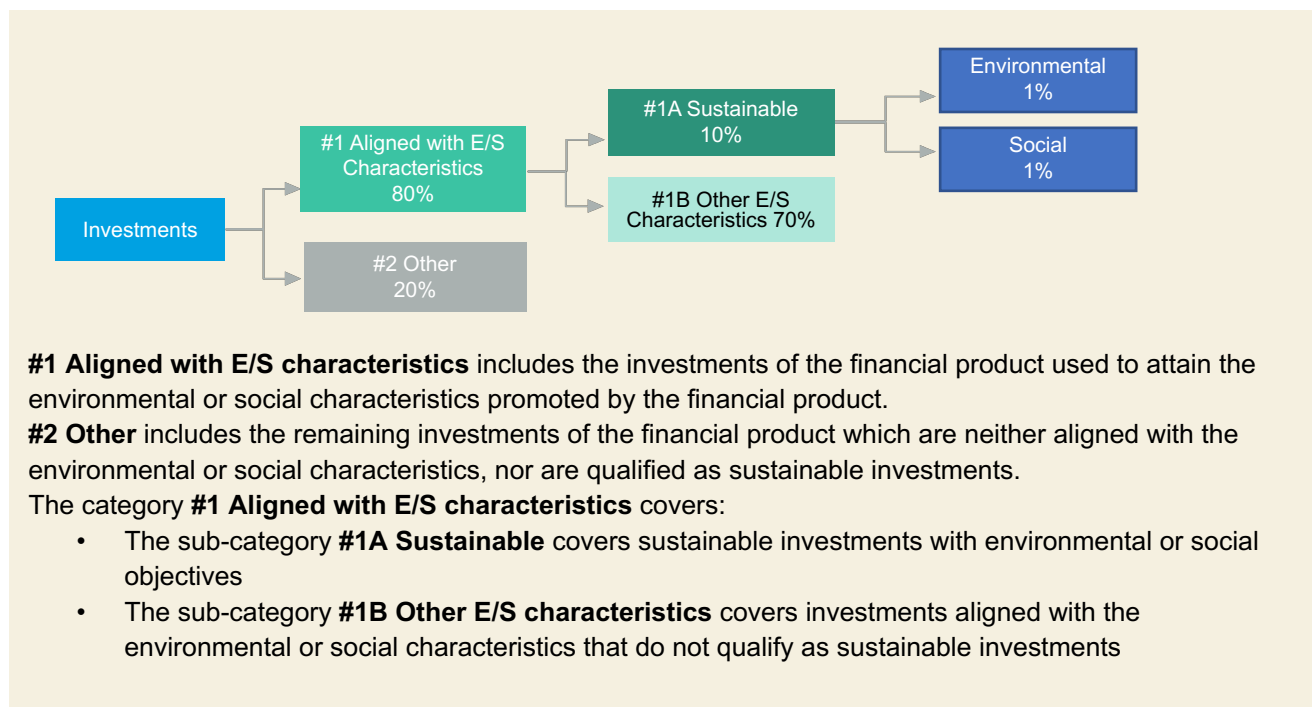
In addition to the ESG considerations described in this summary on a binding basis, the fund integrates ESG considerations in the investment decision-making process to support its environmental and social characteristics on a non-binding basis, based on the investment manager's in-house research and methodologies and on third-party data.

Governance practices of investee companies

As part of its bottom-up, fundamental research process, the investment manager systematically incorporates the assessment of the securitisation's corporate governance and business practices, including but not limited to the business ethics of lenders and servicers, their legal standing and compliance with all regulatory standards under the applicable jurisdictions, the ownership, management and financial structure of lenders, servicers, or special purpose vehicles established in relation to the securitization, and evidence of tax compliance, in order to ensure that every securitisation in which the fund invests follows good governance practices.

This is done through the gathering of information and data on governance-related, as well as on other environmental and/or social factors and controversies, as part of the investment due diligence process, through in-house research or third-party data, where available, and through engagement with management teams of issuers of lenders or servicers, on an as needed basis, to request further details around the securitization, such as clarifications on loan rates setting and payment collection mechanisms. The investment manager also monitors the governance of the originators and the collateral over the life of the investment, through third-party providers, including rating agencies' changes in the annual assessments of the investments.

Proportion of investments



The exclusions and best-in-class screening criteria (as described above) will be applied to at least 80% of the portfolio, however the fund also expects to allocate a minimum of 10% 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 may be invested in hedging instruments for efficient portfolio management and in cash as ancillary liquidity, which do not align with any environmental or social characteristics, as described in the response to question, “*What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards*” further below.

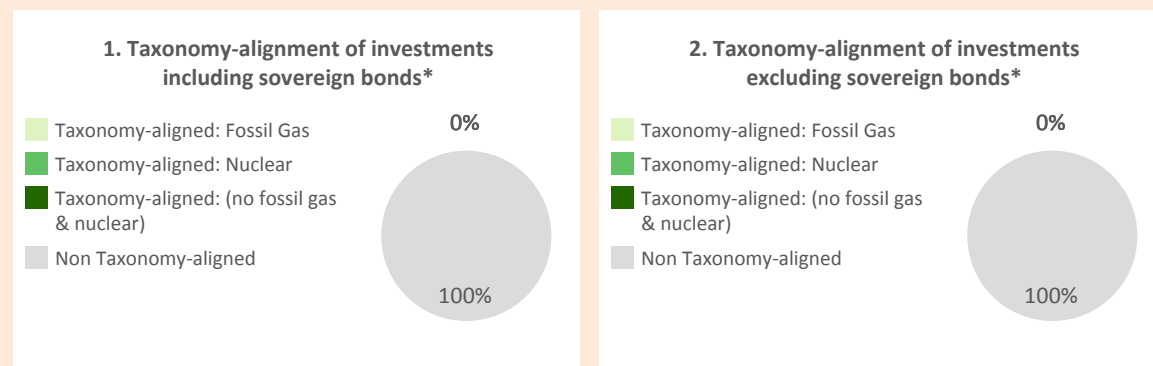
Any investments that are held by the fund but become restricted because they breach the investment exclusions set out above, after they are acquired for the fund, will be sold. Such sales will take place over a period of time to be determined by the investment manager, taking into account the best interests of the shareholders of the fund. Such investments are included in the “#2 Other” category.

These percentages are measured according to the market value of the investments.

Taxonomy disclosures

The fund does not commit to making a minimum portion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

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.

Monitoring of environmental or social characteristics

The environmental and social characteristics are monitored by the investment team at the time of the investment and then periodically throughout the holding period, using a combination of portfolio screening tools, research, and manual desk reviews and analyses.

The investment process is subject to regular review, as part of a control and monitoring framework implemented by the investment manager. The investment manager'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.

Investments that are held by the fund but become restricted because they breach the exclusion 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 manager, considering the best interests of the shareholders of the fund.

Methodologies

The following sustainability indicators are used to measure the attainment of the fund's environmental and social characteristics:

- The proportion of the fund invested in securitisations which breach any of the exclusion criteria which are listed in the *Investment Strategy* section;
- The fund's ESG Securitisation score (1-5, 5 is best), calculated at the aggregate portfolio level, based on the investment manager's proprietary ESG scoring methodology, explained in the *Investment Strategy* section;
- The proportion of the fund invested in securitisations rated 1 or 2, based on the above mentioned ESG scoring methodology; and
- The fund's proportion of net asset value allocated to sustainable investments.

Sustainable Investments

Contribution to an environmental and/or social objective

The fund's sustainable investments consist of 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, bonds that align with the International Capital Market Association (ICMA)'s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

Sustainable Securitisations 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, affordable housing, and financial inclusion projects. The specific objectives to which the Sustainable Securitisations contribute depend on the eligible environmental and social project categories of each security.

All Sustainable Securitisations held in the fund are assessed using the investment manager's proprietary Sustainable Bond Assessment Framework. This evaluation is typically driven at the security level by a score on a scale of 1-5, 5 being best and 3 generally being the minimum threshold for inclusion in the portfolio, but will in some circumstances instead be informed by reliance on recognised green bond guidelines. The sustainable debt score is based on the investment manager's proprietary Sustainable Bond Assessment Framework, which is intended to identify the likely environmental and/or social benefits of the securities in question.

PAI Indicators

The "do no significant harm" methodology applied by the investment manager on sustainable investments seeks to exclude investments that cause harm to any of the PAI indicators which are mandatory for the investment manager to consider under SFDR, and which are relevant to the investment.

The investment manager has determined specific metrics and thresholds for what constitutes significant harm to screen PAI indicators that are relevant to the investment, using in-house research and, where available, third-party data to support the analysis.

The investment manager may use reasonable proxy indicators defined by its ESG research team or sourced from third parties to address the current lack of data for certain PAI indicators. The investment manager's use of proxy indicators will be kept under review and will be replaced by data from third-party data providers, when the investment manager determines that sufficiently reliable data has become available.

The investment manager conducts the PAI assessment at either the issuer level or the securitisation's collateral level, depending on the relevance of each applicable indicator in the context of the investment. As an example, in the case of a Green Securitised Bonds with proceeds financing energy efficient buildings, the assessment of any violations of UNGC and OECD Guidelines will be conducted at the securitisation issuer's

level, however the assessment of PAI indicators associated with GHG emissions or fossil fuel exposure will be conducted at the collateral level.

The fund's PAI assessment is supported, on a qualitative and non-binding basis, by the investment manager's engagement with selected issuers on their corporate governance practices, as well as on other material sustainability issues, in line with the investment manager's Fixed Income Engagement Strategy, available on www.morganstanley.com/im.

Alignment with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

Investments are screened using third party data, where available, regarding the issuer's compliance with the UN Guiding Principles on Business and Human Rights. Where the application of this screen reveals potential non-compliance, or where data is not available, the investment manager conducts additional desktop research to verify the issuer's practices.

Data sources and processing

The investment manager primarily assesses the sustainability characteristics of each investment in the fund through a proprietary Securitised Sustainability Framework using data from internal research.

The investment manager also leverages ESG data from external vendors. This data is collected and stored in Morgan Stanley's centralized ESG data repository, to allow any Morgan Stanley business unit, including MSIM, to access the information for research, portfolio analysis and construction, including through the investment team's portfolio management systems, and for client and regulatory reporting.

MSIM assesses data quality by liaising with the different data providers to obtain updates to the datasets as the regulation evolves. They also ensure that ESG data adheres to the Firm's data governance and quality standards through procedures to assess the appropriateness and delivery of data feeds. MSIM also conducts as appropriate, due diligence on the external data providers in order to assess whether their methodologies are appropriate for the intended use case.

Due to gaps in data coverage, a small proportion of the data which is used to assess alignment with E/S characteristics is estimated data.

The investment manager will keep data gaps under review and replace the estimated data with third-party data sources or data obtained by other means (e.g., directly from loan originators or servicers) when available.

Limitations to methodologies and data

The investment manager uses data to assess the PAI indicators from third-party providers. The fund may use reasonable proxy data for PAI indicators where the investment manager considers that the data is not widely or reliably available. Any use of proxies will be kept under review and will be replaced by data from third-party data providers, when the investment manager determines that sufficiently reliable data has become available. This limitation does not affect how the environmental and social characteristics promoted by the fund are met because any proxies used are reviewed and assessed by the investment manager to ensure that they are appropriate substitutes for the relevant PAI indicator.

The below outlines some of the key themes and commonalities which contribute to limitations in the methodologies and/or data and/or poor data quality of the fund:

- coverage gaps across asset classes, geographies, and market capitalisations

- availability of sustainability-related data for the loans and assets underpinning securitised investments is very limited, and, where available, it is usually provided to investors on a pre-trade basis only
- data lags i.e., reporting timelines for data may not align with SFDR reporting timelines

Despite these limitations, which impact all consumers of ESG data and investors in securitisations and are not particular to MSIM, the investment manager takes reasonable steps to mitigate the risk of these limitations hindering the fund's ability to meet its environmental and social characteristics – these include (as appropriate), seeking to collect data directly from loan originators and servicers, using appropriate estimations to manage data gaps and assessing new third-party vendor data quality and methodologies.

Due diligence

The investment manager combines quantitative and fundamental methodologies to assess the fund's investment universe, composed of residential MBS, commercial MBS, and ABS, and to examine candidates for purchase.

The due diligence process is conducted by a team of dedicated mortgage/securitised research analysts who conduct analysis of Securitized assets across the credit spectrum.

The analysis of each security's underlying loans or collateral covers factors including, but not limited to: property attributes such as location or sub-market strength; occupancy rates; borrowers' assets, credit availability, and history of prepayments or defaults.

As part of this process, the investment manager also conducts bottom-up due diligence on the securities to identify any sustainability risks that could impact the value of the assets, as well as any positive contribution to environmental or social characteristics, which is considered by the investment manager when making investment decisions on a non-binding basis. The due diligence process is based on in-house research and, where available, third-party data, and it is based on the investment manager's proprietary Securitized Sustainability Framework. The due diligence is then complemented by a detailed projected cash flow analysis, interest payment stability, and the evaluation of potential returns across different market and economic scenarios.

Engagement policies

The investment manager may engage with management teams of lenders or servicers, on an as-needed basis, to request further details around a securitisation, such as clarifications on loan rates setting and payment collection mechanisms, or in case high risk loans are identified, in order to obtain additional information.

Designated reference benchmark

The fund has not designated a reference benchmark for the purpose of attaining its environmental or social characteristics.

Website Disclosure Summaries (Multiple Languages)

Contents:

[Website Disclosure Summary \(DE\)](#)

[Website Disclosure Summary \(FR\)](#)

[Website Disclosure Summary \(IT\)](#)

[Website Disclosure Summary \(SV\)](#)

Offenlegung nach Artikel 8 SFDR auf der Website

Zusammenfassung

Kein nachhaltiges Investitionsziel

Dieses Finanzprodukt fördert ökologische oder soziale Merkmale, hat jedoch keine nachhaltige Anlage zum Ziel.

Der Fonds wird einen Mindestanteil an nachhaltigen Investitionen halten.

Die Methode des Anlageverwalters, keinen erheblichen Schaden zu verursachen, soll sicherstellen, dass die nachhaltigen Investitionen des Fonds keinem der obligatorischen Indikatoren für die wichtigsten nachteiligen Auswirkungen („PAI“) in den SFDR-Regeln der EU, die für die Investition relevant sind und mit bestimmten sozialen Mindestschutzmaßnahmen konform sind, einen erheblichen Schaden zufügen.

Ökologische oder soziale Merkmale des Finanzprodukts

Der Fonds fördert ökologische und soziale Merkmale. Dazu schließt er Anlagen in Verbriefungen aus, die gegen verantwortungsvolle Geschäftspraktiken oder Kreditvergabepraktiken verstoßen, und versucht zudem, in Verbriefungen zu investieren, die seiner Ansicht nach im Hinblick auf ESG-Aspekte zu den besten ihrer Klasse gehören. Dazu zählen insbesondere die Kreditvergabe für zertifizierte energieeffiziente Gebäude und erschwinglichen Wohnraum sowie der Zugang zu Krediten für unterversorgte soziale Gruppen.

Der Fonds strebt außerdem an, nachhaltige Investitionen in als „Nachhaltig“ gekennzeichnete Verbriefungen zu tätigen, die durch die Verwendung der Erlöse einen positiven ökologischen und/oder sozialen Beitrag leisten.

Anlagestrategie

Der Fonds erfüllt seine ökologischen und sozialen Merkmale durch (a) den Ausschluss von Wertpapieren, die mit räuberischen Kreditvergabepraktiken, Verstößen gegen die Standards des Consumer Financial Protection Bureau (CFPB), schwerwiegenden Verstößen bei Zahlungseinzugsprozessen und Zwangsvollstreckungspraktiken oder betrügerischem Verhalten in Zusammenhang stehen; und (b) Ausrichtung des Portfolios zugunsten erstklassiger ESG-bewerteter Verbriefungen, basierend auf der firmeneigenen ESG-Bewertungsmethode des Anlageverwalters.

Darüber hinaus strebt der Fonds an, einen Anteil seines Vermögens in nachhaltige Anlagen (wie oben beschrieben) zu investieren.

Im Rahmen seines Verfahrens der Bottom-up-Fundamentalanalyse bezieht der Anlageverwalter systematisch die Bewertung der Unternehmensführung und der Geschäftspraktiken der Emittenten ein.

Aufteilung der Investitionen

Im Einklang mit ökologischen und sozialen Merkmalen	80 %
<i>Nachhaltige Investitionen</i>	10 %
<i>Taxonomie-konform</i>	0 %
<i>Sonstig ökologisch</i>	1 %
<i>Sozial</i>	1 %
<i>Sonstige ökologische und soziale Merkmale</i>	70 %
Sonstige Investitionen	20 %

Die auf ökologische oder soziale Merkmale ausgerichteten Investitionen umfassen ausschließlich Investitionen in verbrieft Instrumente, die ein Engagement in zugrunde liegenden Darlehensforderungen bieten.

Diese Prozentsätze werden auf Grundlage des Werts der Investitionen ermittelt.

Überwachung von ökologischen oder sozialen Merkmalen

Die ökologischen und sozialen Merkmale werden vom Anlageteam mithilfe einer Kombination aus Portfolio-Screening-Tools, Recherchen sowie manuellen Schreibtischprüfungen und -analysen überwacht.

Die für Compliance, Risiko und Portfolioüberwachung zuständigen Teams des Anlageverwalters arbeiten mit dem Anlageteam zusammen, um regelmäßige Portfolio-/Performanceüberprüfungen und systemische Checks durchzuführen und so sicherzustellen, dass die Anlageziele des Portfolios und die ökologischen und sozialen Merkmale eingehalten werden.

Methoden

Die Compliance mit den Ausschlussfiltern wird anhand des Anteils der Investitionen des Fonds gemessen, die gegen die Ausschlussfilter verstoßen.

Der Anlageverwalter prüft die Nachhaltigkeitsmerkmale jeder Anlage in den Fonds in erster Linie über ein proprietäres Securitized Sustainability Framework.

Nachhaltige Verbriefungen werden vom Anlageverwalter anhand eines proprietären Bewertungssystems für

nachhaltige Anleihen analysiert, um die Solidität der als nachhaltig gekennzeichneten Transaktionen zu bewerten.

Datenquellen und -verarbeitung

Der Anlageverwalter verlässt sich in erster Linie auf die oben genannten proprietären Rahmenwerke, um die Anlagen des Fonds zu analysieren. Der Anlageverwalter nutzt auch ESG-Daten von externen Anbietern. Diese Daten werden im zentralisierten ESG-Datenspeicher von Morgan Stanley gesammelt und gespeichert, sodass alle Geschäftseinheiten von Morgan Stanley, darunter auch Morgan Stanley Investment Management (MSIM), Zugang zu diesen Informationen für Research, Portfolioanalyse und -konstruktion sowie die Berichterstattung an Kunden und an Aufsichtsbehörden haben.

Aufgrund von Lücken in der Datenabdeckung handelt es sich bei einem kleinen Teil der Daten, die zur Bewertung der Übereinstimmung mit E/S-Merkmalen verwendet werden, um geschätzte Daten.

Beschränkungen hinsichtlich der Methoden und Daten

Der Fonds kann angemessene Proxydaten für PAI-Indikatoren verwenden, wenn die Daten nicht allgemein verfügbar sind oder Daten nach Auffassung des Anlageverwalters nicht zuverlässig sind. Weitere Details zu den Datenbeschränkungen sind in der vollständigen Offenlegung auf der Website zu finden.

Der Anlageverwalter ergreift angemessene Maßnahmen, um sicherzustellen, dass der Fonds trotz dieser Einschränkungen seine ökologischen und sozialen Merkmale erfüllen kann. Dazu gehören die Prüfung und Bewertung von Proxydaten, um sicherzustellen, dass sie als geeignete Ersatzwerte für die durch den jeweiligen PAI-Indikator abgedeckten ESG-Themen dienen. Die Verfügbarkeit nachhaltigkeitsbezogener Daten für die Kredite und Vermögenswerte, die verbrieften Investitionen zugrunde liegen, ist sehr begrenzt und wird den Anlegern, sofern verfügbar, in der Regel nur auf Vorhandelsbasis zur Verfügung gestellt.

Trotz dieser Einschränkungen, die alle Anleger in Verbriefungen betreffen und nicht speziell für MSIM gelten, ergreift der Anlageverwalter angemessene Maßnahmen, um sicherzustellen, dass diese Faktoren keine negativen Auswirkungen auf die E/S-Merkmale des Fonds haben.

Sorgfaltspflicht

Der Anlageverwalter kombiniert quantitative und fundamentale Methoden, um das Anlageuniversum des Fonds, bestehend aus Wohn-MBS, Gewerbe-MBS und

ABS, zu bewerten und Kaufkandidaten zu prüfen.

Der Due-Diligence-Prozess wird von einem Team aus dedizierten Experten für Hypotheken-/Verbriefungsresearch durchgeführt, die Analysen von verbrieften Vermögenswerten entlang des gesamten Kreditspektrums vornehmen.

Die Analyse der jedem Wertpapier zugrunde liegenden Kredite oder Sicherheiten umfasst unter anderem folgende Faktoren: Immobilienmerkmale, wie Faktoren wie Standort oder die Situation auf dem Teilmarkt, Auslastungen, Kreditverfügbarkeit und Ausfälle in der Vergangenheit.

Im Rahmen dieses Prozesses führt der Anlageverwalter auch eine Bottom-up-Due-Diligence-Prüfung der Wertpapiere durch, um etwaige Nachhaltigkeitsrisiken zu ermitteln, die sich auf den Wert der Vermögenswerte auswirken könnten, was der Anlageverwalter dann bei seinen Anlageentscheidungen auf unverbindlicher Basis berücksichtigt. Die Due-Diligence-Prüfung stützt sich auf internes Research und gegebenenfalls Daten von Drittanbietern und basiert auf dem proprietären Securitised Sustainability Framework des Anlageverwalters. Die Due Diligence wird dann durch eine detaillierte Analyse des prognostizierten Cashflows, der Zinszahlungsstabilität und der Bewertung potenzieller Renditen in verschiedenen Markt- und Wirtschaftsszenarien ergänzt.

Mitwirkungspolitik

Der Anlageverwalter kann mit den Geschäftsleitungen von Kreditgebern oder Servicern nach Bedarf in Kontakt treten, um weitere Informationen zu einem Wertpapier anzufordern, beispielsweise zu Kreditzinssätzen und den Mechanismen der Zahlungseinziehung, oder in dem Fall, dass hochriskante Darlehen identifiziert werden.

Bestimmter Referenzwert

Im Hinblick auf die Erreichung seiner ökologischen oder sozialen Merkmale verfügt der Fonds über keine Benchmark.

Divulgations sur le site Web en vertu de l'Article 8 du SFDR

Résumé

Sans objective d'investissement durable

Ce produit financier promeut des caractéristiques environnementales ou sociales, mais n'a pas pour objectif l'investissement durable.

Le fonds comportera un minimum d'investissements durables.

La méthodologie « ne pas nuire de manière significative » appliquée par le gestionnaire d'investissements vise à garantir que les investissements durables du fonds ne nuisent pas de manière significative à l'un des indicateurs obligatoires des principales incidences négatives (« PAI ») des règles SFDR de l'UE qui sont pertinentes pour l'investissement et respectent certaines garanties sociales minimales.

Caractéristiques environnementales ou sociales du produit financier

Le fonds favorise les caractéristiques environnementales et sociales en excluant les investissements dans des titrisations qui violent les pratiques commerciales ou de crédit responsables, et en cherchant à investir dans des titrisations qu'il considère comme les meilleures de leur catégorie en matière d'ESG, y compris, mais sans s'y limiter, les bâtiments certifiés économes en énergie, les prêts pour le logement abordable ou l'accès au crédit pour les groupes sociaux mal desservis.

Le fonds vise également à réaliser un minimum d'investissements durables dans des titrisations durables labellisées qui apportent une contribution environnementale et/ou sociale positive par l'utilisation de leurs produits.

Stratégie d'investissement

Le fonds remplit ses caractéristiques environnementales et sociales en (a) excluant les titres liés à des pratiques de prêt abusives, à des manquements aux normes du Bureau de protection financière des consommateurs (CFPB), à des malversations graves dans les processus de recouvrement des paiements et les pratiques de saisie, ou à des comportements frauduleux ; et (b) en orientant le portefeuille en faveur des titrisations les mieux notées sur le plan ESG, sur la base de la méthodologie de notation ESG propre au gestionnaire d'investissements.

En outre, le fonds vise à investir une part de ses actifs dans des investissements durables (tels que décrits ci-dessus).

Dans le cadre de son processus de recherche fondamentale « bottom-up (ascendante) », le gestionnaire d'investissements incorpore systématiquement l'évaluation de la gouvernance d'entreprise et des pratiques commerciales d'un émetteur.

Proportion des investissements

Alignés sur les caractéristiques environnementales et sociales (E/S)	80 %
<i>Investissements durables</i>	10 %
<i>alignés sur la taxonomie</i>	0 %
<i>Autres caractéristiques environnementales</i>	1 %
<i>Sociales</i>	1 %
<i>Autres caractéristiques E/S</i>	70 %
Autres investissements	20 %

Les investissements alignés sur des caractéristiques environnementales ou sociales sont entièrement constitués d'investissements dans des instruments titrisés qui fournissent une exposition aux actifs de prêts sous-jacents.

Ces pourcentages sont mesurés en fonction de la valeur des investissements.

Contrôle des caractéristiques environnementales ou sociales

Les caractéristiques environnementales et sociales sont surveillées par l'équipe d'investissement, à l'aide d'une combinaison d'outils de sélection de portefeuille, de recherches et d'examen et d'analyses documentaires manuels.

Les équipes de conformité, de risque et de surveillance du portefeuille du gestionnaire d'investissements collaborent avec l'équipe d'investissement pour effectuer des examens réguliers du portefeuille/de la performance et des contrôles systémiques afin de garantir le respect des objectifs d'investissement du portefeuille et des caractéristiques environnementales et sociales.

Méthodes

La conformité aux filtres exclusifs est mesurée en fonction du pourcentage des investissements du fonds qui ne remplissent pas les conditions de filtrage exclusifs.

Le gestionnaire d'investissements évalue principalement les caractéristiques de développement durable de chaque investissement du fonds par le biais d'un cadre exclusif de

développement durable titrisé.

Les titrisations durables sont également évaluées par le gestionnaire d'investissements au moyen d'un cadre exclusif d'évaluation des obligations durables afin de déterminer la fiabilité de ces transactions labellisées.

Sources et traitement des données

Le gestionnaire d'investissements s'appuie principalement sur les cadres propriétaires mentionnés ci-dessus pour analyser les investissements du fonds. Le gestionnaire d'investissements exploite également les données ESG provenant de fournisseurs externes. Ces données sont collectées et stockées dans le référentiel de données ESG centralisé de Morgan Stanley afin de permettre à toute division commerciale de Morgan Stanley, y compris Morgan Stanley Investment Management (MSIM), d'accéder aux informations à des fins de recherche, d'analyse et de constitution de portefeuilles, ainsi que de rapports destinés aux clients et aux autorités réglementaires.

En raison des lacunes dans la couverture des données, une petite proportion des données utilisées pour évaluer l'alignement avec les caractéristiques E/S sont des données estimées.

Limites aux données et aux données

Le fonds peut utiliser des données de substitution raisonnables pour les indicateurs PAI lorsque le gestionnaire d'investissement considère que les données ne sont pas largement disponibles ou fiables. Pour plus de détails sur les limites des données, veuillez consulter le site web complet.

Le gestionnaire d'investissements prend des mesures raisonnables pour s'assurer que le fonds est en mesure de répondre à ses caractéristiques environnementales et sociales malgré ces limitations, y compris l'examen et l'évaluation des données de substitution pour s'assurer qu'elles sont des substituts appropriés pour les thèmes ESG promus par l'indicateur PAI pertinent.

La disponibilité des données relatives au développement durable concernant les prêts et les actifs sous-jacents aux investissements titrisés est très limitée et, lorsqu'elles sont disponibles, elles ne sont généralement fournies aux investisseurs que dans le cadre de la pré-négociation.

Malgré ces limitations, qui affectent tous les investisseurs en titrisation et ne sont pas spécifiques à MSIM, le gestionnaire d'investissements prend des mesures raisonnables pour garantir que ces facteurs n'ont pas d'impact négatif sur les caractéristiques E/S du fonds.

Diligence raisonnable

Le gestionnaire d'investissements combine des méthodologies quantitatives et fondamentales pour évaluer l'univers d'investissement du fonds, composé de MBS résidentiels, de MBS commerciaux et d'ABS, et pour examiner les candidats à l'achat.

Le processus de vérification préalable est mené par une équipe d'analystes spécialisés dans la recherche sur les prêts hypothécaires et les titrisations, qui analysent les actifs titrisés dans toute la gamme des crédits.

L'analyse des prêts ou garanties sous-jacents de chaque titre couvre des facteurs comprenant, sans toutefois s'y limiter : les attributs des biens tels que l'emplacement ou la solidité du marché secondaire, les taux d'occupation, les actifs des emprunteurs, la disponibilité du crédit et l'historique des remboursements anticipés ou des défauts de paiement.

Dans le cadre de ce processus, le gestionnaire d'investissements mène également des vérifications « bottom up (ascendante) » sur les titres pour identifier tout risque de développement durable qui pourrait impacter la valeur des actifs, pris en compte par le gestionnaire d'investissements lors de la prise de décision d'investissement sur une base non contraignante. Le processus de vérification préalable s'appuie sur des recherches internes et, le cas échéant, sur des données tierces, et il est fondé sur le cadre de durabilité titrisé propre au gestionnaire d'investissements. La diligence raisonnable est ensuite complétée par une analyse détaillée des flux de trésorerie projetés, de la stabilité du paiement des intérêts et de l'évaluation des rendements potentiels selon différents scénarios de marché et économiques.

Politiques d'engagement

Le gestionnaire d'investissements peut entrer en contact avec les équipes de gestion des prêteurs ou des prestataires de services, le cas échéant, pour demander des informations supplémentaires sur une titrisation, telles que des clarifications sur la fixation des taux de prêt et les mécanismes de recouvrement des paiements, ou dans le cas où des prêts à haut risque sont identifiés, afin d'obtenir des informations supplémentaires.

Indice de référence désigné

Le fonds n'a pas désigné d'indice de référence aux fins de la réalisation de ses caractéristiques environnementales ou sociales.

Informativa per i prodotti Articolo 8 SFDR del sito web

Sintesi

Nessun obiettivo d'investimento sostenibile

Questo prodotto finanziario promuove caratteristiche ambientali o sociali, ma non persegue l'obiettivo di un investimento sostenibile.

Il comparto avrà una percentuale minima di investimenti sostenibili.

La metodologia "non arrecare un danno significativo" (DNSH, Do No Significant Harm) applicata dal gestore degli investimenti del comparto mira a garantire che gli investimenti sostenibili del comparto non solo non causino danni significativi ad alcun indicatore obbligatorio dei principali effetti negativi ("PAI") ai sensi delle norme del Regolamento UE SFDR e applicabile all'investimento, ma che rispettino anche alcune garanzie sociali minime.

Caratteristiche ambientali o sociali del prodotto finanziario

Il comparto promuove caratteristiche ambientali e sociali escludendo gli investimenti in cartolarizzazioni che violano prassi commerciali o di prestito responsabili e cercando di investire in cartolarizzazioni che, a suo giudizio, sono le migliori in termini di temi ESG, tra cui, a titolo esemplificativo ma non esaustivo, edifici ad alta efficienza energetica certificati, prestiti per alloggi a prezzi accessibili o accesso al credito per fasce svantaggiate della popolazione.

Il comparto mira inoltre a effettuare investimenti sostenibili in cartolarizzazioni etichettate come sostenibili che apportano un contributo ambientale e/o sociale positivo attraverso l'utilizzo dei proventi.

Strategia d'investimento

Il comparto soddisfa le caratteristiche ambientali e sociali (a) operando le esclusioni di titoli collegati a pratiche di prestito predatorie, violazioni degli standard fissati dal Consumer Financial Protection Bureau (CFPB), gravi abusi nei processi di raccolta dei pagamenti e delle procedure di pignoramento o comportamenti fraudolenti e (b) posizionando il portafoglio in modo da favorire le cartolarizzazioni con i migliori punteggi ESG, in base al modello di punteggio ESG proprietario del gestore degli investimenti.

Inoltre, il comparto mira a investire una percentuale del proprio patrimonio in investimenti sostenibili (come descritto

sopra).

Nell'ambito del proprio processo di ricerca fondamentale bottom-up, il gestore degli investimenti integra sistematicamente la valutazione della corporate governance e delle prassi aziendali di un emittente.

Quota degli investimenti

Allineati a caratteristiche E/S	80 %
<i>Investimenti sostenibili</i>	10 %
<i>Allineati alla tassonomia</i>	0 %
<i>Altri aspetti ambientali</i>	1 %
<i>Sociali</i>	1 %
<i>Altre caratteristiche E/S</i>	70 %
Altri investimenti	20 %

Gli investimenti allineati a caratteristiche ambientali o sociali includono interamente investimenti in strumenti cartolarizzati che forniscono esposizione alle attività di prestito sottostanti.

Queste percentuali sono misurate in base al valore degli investimenti.

Monitoraggio delle caratteristiche ambientali o sociali

Le caratteristiche ambientali e sociali vengono monitorate dal team di investimento, utilizzando una combinazione di strumenti di screening del portafoglio, ricerca e revisioni e analisi manuali.

I team responsabili della conformità, del rischio e del monitoraggio del portafoglio del gestore degli investimenti collaborano con il team d'investimento per condurre periodicamente esami del portafoglio/della performance e controlli sistemici per garantire l'aderenza agli obiettivi d'investimento del portafoglio e alle caratteristiche ambientali e sociali.

Metodologie

La conformità ai filtri di esclusione viene misurata in base alla percentuale di investimenti del comparto che violano i filtri di esclusione.

Il gestore degli investimenti esamina le caratteristiche di sostenibilità di ciascun investimento del comparto avvalendosi principalmente di un sistema proprietario per valutare la sostenibilità dei prodotti cartolarizzati (Securitized Sustainability Framework).

Le cartolarizzazioni sostenibili sono ulteriormente esaminate dal gestore degli investimenti utilizzando un

modello proprietario di valutazione delle obbligazioni sostenibili per determinare la solidità di dette transazioni.

Fonti e trattamento dei dati

Per analizzare gli investimenti del comparto, il gestore degli investimenti fa principalmente affidamento sui modelli proprietari sopra menzionati. Il gestore degli investimenti sfrutta anche i dati ESG di fornitori esterni. Questi dati vengono raccolti e conservati nell'archivio dei dati ESG centralizzato di Morgan Stanley per consentire a qualsivoglia sua unità operativa, ivi compresa Morgan Stanley Investment Management (MSIM), di accedere alle informazioni ai fini di ricerche e analisi e costruzione dei portafogli, anche attraverso i sistemi di gestione del portafoglio del team d'investimento, nonché per fornire a clienti e autorità di regolamentazione le informative richieste.

A causa delle lacune nella copertura dei dati, una piccola parte dei dati utilizzati per valutare l'allineamento con le caratteristiche E/S sono dati stimati.

Limiti delle metodologie e dei dati

Il comparto può utilizzare dati surrogati ragionevoli per gli indicatori PAI laddove il gestore degli investimenti ritenga che i dati non siano generalmente disponibili o non siano attendibili. Per ulteriori dettagli sulle limitazioni dei dati, si rimanda all'informativa completa pubblicata sul sito web. Il gestore degli investimenti adotta misure ragionevoli per garantire che il comparto sia in grado di soddisfare le proprie caratteristiche ambientali e sociali nonostante dette limitazioni, tra cui la revisione e la valutazione dei dati surrogati per assicurarsi che siano appropriati sostitutivi per i temi ESG promossi dal relativo indicatore PAI.

La disponibilità di dati inerenti alla sostenibilità per i prestiti e gli attivi sottostanti agli investimenti cartolarizzati è molto limitata e, laddove disponibili, tali dati vengono solitamente forniti agli investitori solo per le attività di pre-negoziazione.

Nonostante queste limitazioni, che hanno un impatto su tutti gli investitori in cartolarizzazioni e non sono specifiche di MSIM, il gestore degli investimenti adotta misure ragionevoli per garantire che questi fattori non abbiano un impatto negativo sulle caratteristiche E/S del comparto.

Dovuta diligenza

Per valutare l'universo di investimento del comparto, che è composto da MBS residenziali, MBS commerciali e ABS, e per esaminare potenziali candidati ai fini dell'acquisto, il gestore degli investimenti combina metodologie quantitative e fondamentali.

Il processo di due diligence viene condotto da un team di analisti di ricerca dedicati, specializzati in mutui ipotecari/cartolarizzazioni, i quali esaminano i prodotti cartolarizzati sull'intero spettro del credito.

L'analisi dei prestiti o delle garanzie sottostanti di ciascun titolo copre fattori inclusi, ma non limitati a: caratteristiche dell'immobile, quali l'ubicazione o la forza del sottomercato, i tassi di occupazione, il patrimonio dei titolari di un mutuo, la disponibilità di credito e lo storico dei rimborsi anticipati o delle inadempienze.

Nell'ambito di questo processo, il gestore degli investimenti conduce anche una due diligence bottom-up sui titoli per individuare eventuali rischi di sostenibilità suscettibili di incidere sul valore degli attivi, nonché qualsiasi contributo positivo alle caratteristiche ambientali o sociali, tenendone conto al momento di prendere decisioni d'investimento su base non vincolante. Il processo di due diligence si fonda su una ricerca interna e, ove disponibili, su dati proprietari e di terzi ed è basato sul Securitised Sustainability Framework proprietario del gestore degli investimenti. La due diligence è poi integrata da un'analisi dettagliata dei flussi di cassa previsti, dalla stabilità del pagamento degli interessi e dalla valutazione dei rendimenti potenziali in diversi scenari economici e di mercato.

Politiche di impegno

Il gestore degli investimenti può, a seconda delle necessità, intraprendere azioni di engagement con i team di management dei finanziatori o dei servicer per richiedere maggiori dettagli in merito a una cartolarizzazione, ad esempio chiarimenti sulla determinazione dei tassi di prestito e sui meccanismi di riscossione dei pagamenti, oppure, nel caso in cui venissero identificati prestiti ad alto rischio, al fine di ottenere maggiori informazioni.

Indice di riferimento designato

Per realizzare le proprie caratteristiche ambientali o sociali, il comparto non ha designato alcun indice di riferimento.

SFDR Artikel 8 Webbplatsinformation

Engagementbeleid

Inga mål för hållbar investering

Denna finansiella produkt främjar miljömässiga eller sociala egenskaper, men har inte som mål att investera hållbart.

Fonden kommer att ha en minsta andel hållbara investeringar.

Metoden för att inte orsaka betydande skada som tillämpas av investeringsförvaltaren syftar till att säkerställa att fondens hållbara investeringar inte orsakar betydande skada för någon av de obligatoriska indikatorerna för huvudsaklig negativ påverkan ("PAI") i EU:s SFDR-regler som är relevanta för investeringen och uppfyller vissa minimikrav på sociala skyddsåtgärder.

Den finansiella produktens miljörelaterade eller sociala egenskaper

Fonden främjar miljömässiga och sociala egenskaper genom att utesluta investeringar i värdepapperiseringar som bryter mot ansvarsfulla affärs- eller utlåningspraxis och genom att försöka investera i värdepapperiseringar som den anser vara bäst i klassen i ESG-frågor, inklusive men inte begränsat till certifierade energieffektiva byggnader, bolån för ekonomiskt överkomliga bostäder eller tillgång till kredit för underbetjänade sociala grupper. Fonden strävar också efter att göra hållbara investeringar i märkta hållbara värdepapperiseringar som ger ett positivt miljömässigt och/eller socialt bidrag genom sin användning av intäkterna.

Investeringsstrategi

Fonden uppfyller sina miljömässiga och sociala egenskaper genom att (a) utesluta värdepapper som är kopplade till underprissättning, överträdelse av standarder från Consumer Financial Protection Bureau (CFPB), allvarliga felaktigheter i betalningsindrivningsprocesser och utmätningspraxis eller bedrägligt beteende, och (b) vinkla portföljen till förmån för värdepapperiseringar med ESG-poäng som är bäst i klassen, baserat på investeringsförvaltarens egenutvecklade ESG-poängmetod.

Dessutom strävar fonden efter att investera en andel av sina tillgångar i hållbara investeringar (enligt beskrivningen ovan).

Som en del av sin bottom-up, grundläggande forskningsprocess, införlivar investeringsförvaltaren systematiskt bedömningen av en emittents bolagsstyrning och affärsmetoder.

Andel av investeringar

I linje med miljömässiga och sociala egenskaper	80 %
Hållbara investeringar	10 %
I linje med taxonomin	0 %
Övrigt miljömässigt	1 %
Socialt	1 %
Andra miljömässiga och sociala egenskaper	70 %
Övriga investeringar	20 %

De investeringar som är inriktade på miljömässiga eller sociala egenskaper består helt av investeringar i värdepapperiserade instrument som ger exponering mot underliggande lånetillgångar.

Dessa procentandelar mäts enligt investeringarnas värde.

Övervakning av miljörelaterade eller sociala egenskaper

De miljömässiga och sociala egenskaperna övervakas av investeringsteamet med hjälp av en kombination av portföljgranskningsverktyg, forskning och manuella skrivbordsgranskningar och analyser.

Förvaltarens team för efterlevnad, risk och portföljövervakning samarbetar med investeringsteamet för att genomföra regelbundna portfölj- och resultatgranskningar och systemkontroller för att säkerställa efterlevnad av portföljens investeringsmål och miljömässiga och sociala egenskaper.

Metoder

Efterlevnaden av uteslutningsgranskningarna mäts baserat på den procentandel av fondens investeringar som bryter mot uteslutningsgranskningarna.

Investeringsförvaltaren bedömer främst hållbarhetsegenskaperna för varje investering i fonden genom ett egenutvecklat ramverk för hållbar värdepapperisering.

Hållbara värdepapperiseringar bedöms vidare av investeringsförvaltaren genom ett egenutvecklat ramverk för bedömning av hållbara obligationer för att fastställa robustheten i dessa märkta transaktioner.

Datakällor och databehandling

Förvaltaren förlitar sig främst på de egenutvecklade ramverk som nämns ovan för att analysera fondens investeringar. Investeringsförvaltaren utnyttjar också ESG-data från externa leverantörer. Dessa data samlas in och lagras i Morgan Stanleys centraliserade ESG-datalager, så att alla Morgan Stanleys affärsenheter, inklusive Morgan Stanley Investment Management

(MSIM), kan få tillgång till informationen för forskning, portföljanslys och konstruktion, inklusive genom investeringsteamets portföljhanteringssystem, och för kund- och myndighetsrapportering.

På grund av luckor i datatäckningen är en liten del av de data som används för att bedöma anpassningen till E/S-egenskaper uppskattade data.

Begränsningar för metoder och data

Fonden får använda rimliga proxydata för PAI-indikatorer om investeringsförvaltaren anser att uppgifterna inte är allmänt eller tillförlitligt tillgängliga. För ytterligare information om databegränsningar, se den fullständiga informationen på webbplatsen.

Investeringsförvaltaren vidtar rimliga åtgärder för att säkerställa att fonden kan uppfylla sina miljömässiga och sociala egenskaper trots dessa begränsningar, inklusive granskning och bedömning av proxyer för att säkerställa att de är lämpliga substitut för de ESG-teman som främjas av den relevanta PAI-indikatorn.

Tillgången till hållbarhetsrelaterade uppgifter om de lån och tillgångar som ligger till grund för värdepapperiserade investeringar är mycket begränsad, och när sådana uppgifter finns tillgängliga tillhandahålls de vanligtvis endast till investerare före handel.

Trots dessa begränsningar, som påverkar alla investerare i värdepapperiseringar och inte är specifika för MSIM, vidtar investeringsförvaltaren rimliga åtgärder för att säkerställa att dessa faktorer inte har en negativ inverkan på fondens E/S-egenskaper.

Due diligence

Förvaltaren kombinerar kvantitativa och fundamentala metoder för att bedöma fondens investeringsuniversum, som består av MBS för bostäder, kommersiella MBS och ABS, och för att undersöka kandidater för köp.

Due diligence-processen genomförs av ett team av dedikerade analytiker som analyserar värdepapperiserade tillgångar över hela kreditspektrumet.

Analysen av varje värdepappers underliggande lån eller säkerhet omfattar faktorer som inkluderar, men inte begränsas till: fastighetsattribut som läge eller delmarknadsstyrka; beläggningsgrad; låntagarnas tillgångar, kredittillgänglighet och historik över förskottsbetalningar eller betalningsinställelser.

Som en del av denna process genomför investeringsförvaltaren också en bottom-up due diligence av värdepapperen för att identifiera eventuella hållbarhetsrisker som kan påverka tillgångarnas värde, samt eventuella positiva bidrag till miljömässiga eller sociala egenskaper, vilket beaktas av

investeringsförvaltaren när investeringsbeslut fattas på icke-bindande basis. Due diligence-processen baseras på intern forskning och, i förekommande fall, data från tredje part, och den bygger på investeringsförvaltarens egenutvecklade Securitised Sustainability Framework. Due diligence kompletteras sedan med en detaljerad analys av prognostiserade kassaflöden, räntebetalningsstabilitet och utvärdering av potentiell avkastning i olika marknads- och ekonomiska scenarier.

Strategier för engagemang

Investeringsförvaltaren kan vid behov ta kontakt med ledningsgrupper för långivare eller serviceföretag för att begära ytterligare information om en värdepapperisering, t.ex. förtydliganden om fastställande av låneräntor och mekanismer för inkassering av betalningar, eller om högrisklån identifieras, för att få ytterligare information.

Valt referensvärde

Fonden har inte utsett något referensvärde för att uppnå sina miljömässiga eller sociala egenskaper.

Applications for shares in the fund should not be made without first consulting the current Prospectus and the Key Investor Information Document (“KIID”), which are available in English and in the official language of your local jurisdiction at morganstanleyinvestmentfunds.com or free of charge from the Registered Office of Morgan Stanley Investment Funds, European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxemburg B 29 192. A summary of investor rights is available in English at the same website.

Information in relation to sustainability aspects of the fund and the summary of investor rights is available at the aforementioned website.

If the management company of the relevant fund decides to terminate its arrangement for marketing that fund in any EEA country where it is registered for sale, it will do so in accordance with the relevant UCITS rules.

DEFINITIONS

“ESG” investment: Environmental Social and Governance based investment is an investment approach which takes explicit account of the environmental, social and corporate governance aspects of all proposed investments.

ESG RISKS

ESG strategies that incorporate impact investing and/or environmental, social and governance (ESG) factors could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. As a result, there is no assurance ESG strategies could result in more favorable investment performance.

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