

Marketing Communication

SFDR Article 8 Website Disclosure

MS INVF Sustainable Euro Strategic Fund

DECEMBER 2022

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SFDR Article 8 Website Disclosure

Product name: *Sustainable Euro Strategic Bond Fund (the “Fund”)*

A fund of Morgan Stanley Investment Funds

Legal entity identifier: 5493001NHR60KNHKPZ06

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 50% 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 Adviser for each of the PAI indicators which are mandatory for the Investment Adviser 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:

- **Low carbon intensity and net zero target:** The Fund seeks to promote the environmental characteristic of climate change mitigation by:
 - Maintaining a lower carbon intensity than the corporate portion of the Bloomberg Euro Aggregate index; and
 - Aiming to achieve net zero emissions at the portfolio-level for corporate investments by 2050. As an interim target for net zero, the Fund aims to halve its carbon intensity by year-end 2030, compared to year-end 2020.
- **Exclusions:** The Fund promotes the environmental characteristic of climate change mitigation by excluding investments in certain types of fossil fuels. In addition, the Fund promotes the social characteristic of avoiding investments in activities which can cause harm to human health and wellbeing, in sovereign issuers that significantly violate social rights, and in 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 tilts:** The Fund also seeks to invest in companies, sovereigns and securitisations that it considers to be best-in-class on ESG matters, based on relative or absolute proprietary ESG scores calculated by the Investment Adviser, and in doing so, it seeks to promote environmental and social themes such as, but not limited to the following:
 - Climate change mitigation, responsible use of natural resources, sustainable waste management, inclusive human capital management, and gender equality, for corporate issuers;
 - Climate change mitigation and adaptation, and human economic welfare standards, for sovereign issuers;
 - Energy efficiency, inclusive and affordable lending, for securitisations.
- **Sustainable Investments:** The Fund aims to make a minimum of 50% sustainable investments in:
 - Corporate issuers whose business practices, products or solutions, make a net positive contribution towards the United Nations’ Sustainable Development Goals (“**SDGs**”);

- Sovereign issuers with ESG scores in the top-2 ranks according to the Investment Adviser’s proprietary scoring methodology, associated with positive environmental or social attributes; or
- Sustainable Bonds, from any type of issuer, which make a positive environmental or social contribution through their use of proceeds, as explained in response to the section below titled, “*Methodologies*”.

Investment Strategy

The Fund’s objective is to generate a return through investments primarily in Euro denominated Fixed Income securities, issued by corporations, government or government guaranteed issuers, while reducing exposure to sustainability risks through exclusionary screening, tilting the portfolio in favour of best-in-class ESG-scored issuers, maintaining a lower carbon intensity than the corporate portion of the reference benchmark, and aiming to achieve portfolio-level net zero emissions for corporate investments by 2050.

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

The binding elements of the investment strategy are described in the table below.

The criteria are implemented and monitored by the Investment Adviser using a combination of third-party data and in-house research.

| Binding criteria | |
|---|---|
| Low carbon intensity | The Fund’s corporate investments will maintain a lower carbon intensity than the corporate component of the Bloomberg Euro Aggregate index, as measured by the Weighted Average Carbon Intensity (WACI): Scope 1 and 2 tons CO ₂ e./US\$ million Sales, weighted by portfolio holdings. |
| Net zero | <p>The Fund aims to achieve net zero emissions by 2050 at the portfolio level for all corporate investments, measured through the WACI metric. As an interim target for net zero, the Fund aims to halve its WACI at the portfolio level for all corporate investments by year-end 2030, compared to year-end 2020. While the binding elements of this environmental characteristic refer to the years 2030 and 2050, the Investment Adviser aims to pursue a yearly decarbonisation pathway to achieve those longer-term targets. This pathway will be monitored and reported on an annual basis, using the sustainability indicator described in response to the section below titled, “<i>Methodologies</i>”.</p> <p>If the portfolio of corporate investments does not meet its yearly decarbonisation pathway target for WACI in a given year, the Investment Adviser would aim to decrease WACI at a larger rate the following year, such that the Fund will still aim to meet its binding commitments for 2030 and 2050.</p> |
| The Fund will not invest in corporate issuers which: | <p><u>Derive any revenue from any of the following activities:</u></p> <ul style="list-style-type: none"> • Thermal coal mining and extraction;* • Controversial weapons manufacturing or retail (anti-personnel landmines, cluster munitions, biological or chemical weapons, and nuclear weapons); • Civilian firearms manufacturing or retail; • Tobacco manufacturing; <p><u>Derive more than 5% revenue from any of the following activities:</u></p> <ul style="list-style-type: none"> • Oil sands extraction;* • Arctic oil and gas production*; <p><u>Derive more than 10% revenue from the following activities:</u></p> <ul style="list-style-type: none"> • Coal-fired power generation;* • Gambling; • Tobacco retail and distribution; • Adult entertainment; or |

| | |
|---|---|
| | <p><u>Violate any of the following norm-based exclusions:</u></p> <ul style="list-style-type: none"> • Are deemed to have violated the UN Global Compact; • Are deemed to have violated the UN Guiding Principles on Business and Human Rights; • Are deemed to have violated the ILO Fundamental Principles; or • Have experienced very severe ESG-related controversies, including in relation to violations of the OECD Guidelines for Multinational Enterprises. <p>*The Fund may, as an exception from the starred bullet points above, invest in labelled Sustainable Bonds issued by fossil fuel companies, which are intended to raise proceeds specifically for projects that promote positive environmental contributions mitigating the adverse sustainability impact of coal, such as renewable energy or energy efficiency, based on information available in the bond issuance documentation.</p> <p>These exclusions are implemented in line with the Fund’s Restriction Screening & ESG policy, which can be found on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im</p> |
| <p>The Fund will not invest in sovereign issuers which:</p> | <p>Are in the bottom-10% ranked countries for social violations, based on the Investment Adviser’s custom indicator.</p> <p>The social violations custom indicator is calculated by the Investment Adviser taking into consideration a country’s performance on issues including, but not limited to, the application of human rights and civil liberties, the quality of contract enforcement and security, freedom of expression, association and free media, as assessed by underlying data from the World Bank.</p> <p>Any investments in sovereign issuers exhibiting positive momentum with respect to such violations, shall not be subject to the purchase restriction. For example, if a country is in the process of making significant remediation efforts, such as through electoral or policy reforms and engagement with civil society, with regard to any social violations, the Investment Adviser may not exclude the investment from the Fund, provided this is kept under review by the Investment Adviser.</p> |
| <p>The Fund will not invest in securitisations in which:</p> | <ul style="list-style-type: none"> • The underlying loans show evidence of predatory lending, as determined by the applicable usury laws, and in the context of market rates and borrower’s risk profile;* • The lender or servicer of the underlying assets has committed 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 style="margin-left: 40px;">if the breach relates to the securitisation’s underlying collateral, underwriting and servicing practices, unless there is evidence of the breach having been or being remediated;** or</p> • The originator, lender or servicer has been involved in controversy cases related to business ethics and fraud that the Investment Adviser views as “Very Severe” based on data by relevant ESG data providers, and where the Investment Adviser considers appropriate remedial action has not been taken. <p>* A loan is considered a predatory loan if:</p> |

| | |
|---------------------------------------|---|
| | <ul style="list-style-type: none"> • Interest rates do not comply with U.S. usury laws or the equivalent in other jurisdictions; or • Interest rates being offered exceed a limit for which the Investment Adviser deems to be exceedingly higher than the industry standard. The Investment Adviser may choose to proceed with an investment where interest rates 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 Adviser determines that access to the loan is still beneficial to the borrower when taking into consideration its risk profile and alternative borrowing options. The interest rate levels which are considered industry standard are subject to periodic review by the Investment Adviser, based on the prevailing market conditions and prevailing rates across the industry at the time. <p>** 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 below titled, “<i>Proportion of investments</i>”</p> |
| <p>Best-in-class ESG tilts</p> | <p><u>Corporate issuers:</u> The Investment Adviser will score every corporate issuer for which underlying data inputs are available, using an ESG Corporate Score. The Fund will only invest in the top 80% of ESG-scoring corporate issuers in each corporate sub-sector, according to the Bloomberg Global Sector Classification Scheme. The ESG Corporate Score is a proprietary score determined by the Investment Adviser, using third-party data inputs, having regard to material ESG factors determined on a sector-by-sector basis, which include, but are not limited to: reduction in carbon and other toxic emissions, opportunities in low carbon technologies or financing, responsible use of natural resources, sustainable waste management, inclusive human capital management, gender equality, business ethics and corporate governance practices.</p> <p><u>Sovereign issuers:</u> The Fund will only invest in the top-80% of ESG-scoring sovereign issuers in each income group (high-, middle-, low-income). Therefore, the Fund will only invest in sovereign issuers that rank 2 or above, in an ESG ranking range of 1-5 (where 5 is best) with homogeneous distribution. The ESG Sovereign Score is a proprietary score determined by the Investment Adviser, using data inputs from the Official Sector, NGOs and Academic Institutions, having regard to ESG factors including, but not limited to: carbon emissions management, climate vulnerability, forest management, human economic welfare standards, state governance and political stability. A country’s performance on such ESG factors is measured relative to its income level peer group, through a panel regression model, and it is then converted into a rank from 1-5, where 5 is best.</p> <p><u>Securitisations:</u> 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. The Investment Adviser assigns the ESG Securitised Score 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</p> |

| | |
|--------------------------------|--|
| | <p>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.</p> <p>Additional details on the Investment Adviser's ESG scoring methodologies are available on www.morganstanley.com/im.</p> |
| Sustainable investments | <p>The Fund will maintain a minimum of 50% of sustainable investments, which meet the criteria as set out in response to the section below titled, "<i>Methodologies</i>".</p> |

The Investment Adviser may apply additional ESG-related investment restrictions over time that it believes are consistent with the Fund's investment objectives and its environmental and social characteristics. Such additional investment restrictions will be disclosed as they are implemented on www.morganstanleyinvestmentfunds.com and on www.morganstanley.com/im.

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

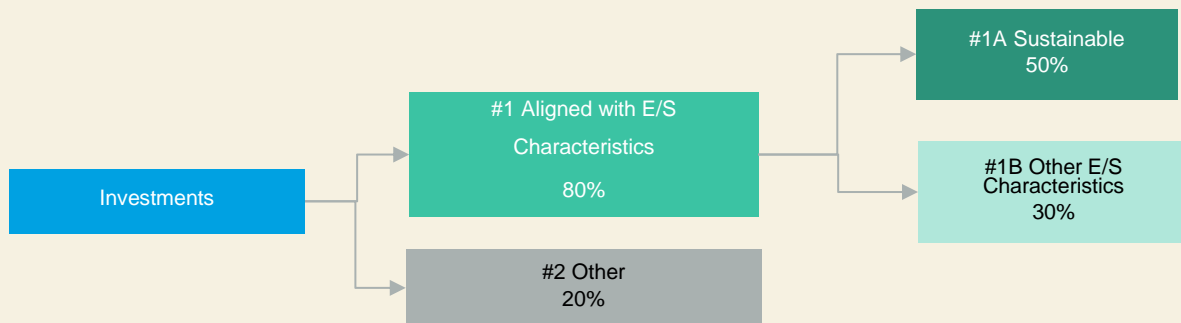
Governance practices of investee companies

As part of its bottom-up, fundamental research process, the Investment Adviser systematically incorporates the assessment of an issuer's corporate governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance, in order to ensure that every investee company follows good governance practices.

This is done through the monitoring of data on governance-related, as well as on other environmental and/or social factors and controversies, sourced from third party providers, through in-house research, and through engagement with the management of selected issuers on corporate governance and disclosure issues.

In addition, the Fund's sustainable investments exclude any company that is involved in very severe governance-related controversies.

Proportion of investments



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments

The low carbon intensity and net zero characteristics, exclusions and best-in-class ESG tilts (as described above) will be applied to at least 80% of the portfolio, however the Fund also expects to allocate a minimum of 50% of its assets to sustainable investments.

Of the 80% of investments which are aligned with environmental or social characteristics, most of this comprises of investments which offer direct exposure to investee entities, although a small portion of such 80% may comprise of securitisations which offer indirect exposure to underlying loan assets.

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

As explained above, the low carbon intensity and net zero characteristics are applied at a portfolio level (and not at the level of individual holdings, some of which may on an individual basis have a higher carbon intensity than the portfolio level average or target).

Sustainable investments

The Fund may make sustainable investments which contribute to either environmental or social themes and does not commit to any minimum share of sustainable investments which contribute to an environmental (as opposed to social) objective.

“#2 Other” investments

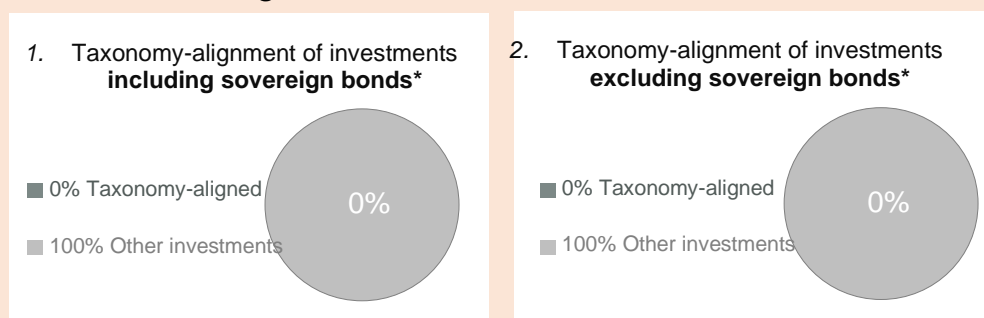
It is anticipated that up to 20% of the Fund’s assets may be invested in hedging instruments for efficient portfolio management and in cash held as ancillary liquidity. These instruments are included in the “#2 Other” category and are not subject to any environmental or social screening or any minimum environmental or social safeguards.

Taxonomy disclosures

The Fund’s sustainable investments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Further information can be found in the environmental and social characteristics section.

Although some of these sustainable investments may be Taxonomy aligned, due to lack of available data regarding the Taxonomy alignment of the underlying securities, the Investment Adviser has not been able to confirm whether these investments are in fact Taxonomy aligned and accordingly will not consider them as such in calculations until this data is reported on or otherwise becomes more reliable. As such, the Investment Adviser uses its own methodology to determine whether certain investments are sustainable in accordance with the SFDR sustainable investment test, and then invests in such assets for the Fund.

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 sustainability indicators of the Fund will be measured and evaluated on an ongoing basis, using a combination of tools / screens, portfolio surveillance tools 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 Adviser. The Investment Adviser's Compliance, Risk and Portfolio Surveillance teams collaborate with the investment team to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives and environmental and social characteristics, taking into account changing market conditions, information and strategy developments.

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 Adviser, considering the best interests of the shareholders of the Fund.

If the Investment Adviser considers that the portfolio or an investment no longer meets the Fund's other binding environmental or social criteria, the Investment Adviser will take such remedial action as it determines to be appropriate. Any such remedial action will be taken over a time period to be determined by the Investment Adviser, considering the relevant circumstances and 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:

| Binding environmental and social characteristic | Indicator | Methodology |
|---|--|--|
| Lower carbon intensity than the corporate portion of the Bloomberg Euro Aggregate Index | Weighted Average Carbon Intensity ("WACI": tons CO ₂ e./US\$ million revenue) | The Fund's WACI is measured in terms of Scope 1 and 2 emissions, in tons of CO ₂ equivalent, normalised by a company's US\$ million revenues, based on third-party data, and weighted based on the Fund's corporate bond holdings. |
| Net zero emissions by 2050, and carbon intensity halved by 2030 for corporate investments | Fund's year-end decarbonisation rate against baseline | Measured as the annual reduction rate in the Fund's WACI (Scope 1 and 2 tons CO ₂ e./US\$ million revenue) at year-end at a portfolio level for corporate investments. The baseline is calculated as of December 31, 2020. While the attainment of the binding environmental characteristic will be assessed as of year-end 2030 and year-end 2050, progress will be monitored and reported on an annual basis. |
| Exclusions | Fund's exposure to issuers that violate any of the exclusion criteria | Measured in terms of the Fund's percentage market value invested in such securities. |
| Best-in-class ESG tilt for corporates | ESG Corporate Score (1-10, 10 best) | The score is based on the Investment Adviser's proprietary ESG scoring methodology. |
| Best-in-class ESG tilt for sovereigns | ESG Sovereign Score (1-5, 5 is best) | The score is based on the Investment Adviser's proprietary ESG scoring methodology. |
| Best-in-class ESG tilt for securitisations | ESG Securitisation Score (1-5, 5 is best) | The score is based on the Investment Adviser's proprietary ESG scoring methodology. |

Sustainable investments

The Fund's sustainable investments will fall within one of the following categories:

- Green, Social or Sustainability Bonds ("**Sustainable Bonds**"), as labelled in the securities' documentation, where the issuer commits to allocate the proceeds to projects making a positive environmental or social contribution. This includes, but is not limited to, bonds that align with the International Capital Market Association (ICMA)'s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines, and bonds which have been assessed through the Investment Adviser's proprietary Sustainable Bond evaluation framework. Sustainable Bonds mobilise financing directly towards a multiplicity of environmental and social projects whose focus spans across a number of sustainability objectives. Examples include, but are not limited to, financing for renewable energy, energy efficiency, clean transportation, affordable housing, and financial inclusion projects. The specific objectives to which the Sustainable Bonds contribute depend on the eligible environmental and social project categories of each security.
- Bonds from corporate issuers whose business practices, products or solutions, make a net positive contribution towards the SDGs. The SDGs were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. The Investment Adviser defines positive contribution to the SDGs as a net positive aggregate alignment score across all the SDGs (i.e., scores measuring positive contribution to

individual SDGs have to, in total, be greater than the total of any negative contribution scores), based on third-party data. The Investment Adviser will also only include issuers which have sufficient positive SDG alignment (in the Investment Adviser's view) with at least one individual SDG, and which do not have any material mis-alignments (in the Investment Adviser's view) on any of the SDGs.

- Bonds from sovereign issuers with an ESG rank of 4 or 5, in a 1-5 range where 5 is best, based on the Investment Adviser's proprietary ESG scoring methodology. Ranks of 4 and 5 reflect a country's positive contribution towards environmental and social themes such as decarbonisation, forestry conservation, promotion of education, health and wellbeing, and good living standards. The Investment Adviser will, however, not treat the investment as sustainable if the sovereign issuer ranked 4 or 5 has experienced recent negative momentum as assessed through in-house research, which is not captured by ESG data providers. For example, if a country is facing significant political and/or social instability.

PAI indicators

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

The Investment Adviser has determined specific metrics and quantitative thresholds for what constitutes significant harm to screen PAI indicators that are relevant to the investment, using third-party data as well as in-house research. The thresholds are set: (i) on an absolute value basis; (ii) on a relative basis in the context of the investment universe; or (iii) using pass/fail scores. Different metrics or thresholds may apply to issuers located in developed markets and in emerging markets, respectively. This is intended to reflect the different extent to which the Investment Adviser deems that meeting minimum sustainability standards in these markets is currently achievable. In addition, different relative thresholds may apply to similar indicators: for example, the Investment Adviser currently applies a lower threshold to determine significant adverse impact with respect to scope 3 emissions intensity compared to scope 1 and 2 emissions intensity. This is because: (i) companies have less control over their indirect emissions; and (ii) data estimates for scope 3 emissions, which currently prevail over reported data compared to scope 1 and 2 emissions, may result in a less accurate PAI assessment.

The Investment Adviser may use reasonable proxy indicators sourced from third parties to address the current lack of data for certain PAI indicators.

The Investment Adviser generally conducts the PAI assessment at the issuer level. However, where appropriate the assessment may be done at security level in whole or in part. For instance, in the case of Sustainable Bonds, as defined above, the PAI indicators that are directly related to the sustainability factors targeted by the bond's use of proceeds will be assessed at the security level, through the Investment Adviser's proprietary Sustainable Bond Evaluation Framework. As an example, the Fund may invest in a Green Bond issued by a utility company that has a negative assessment of under the PAI indicators related to GHG emissions and/or GHG intensity, as long as the Investment Adviser evaluates that the issuer has a credible strategy to reduce its GHG emissions, and that the Green Bond specifically contributes towards such goal. Other PAI indicators that are unrelated to the Sustainable Bond's use of proceeds are still assessed at the issuer level.

The Fund's PAI assessment is supported, on a qualitative basis, by the Investment Adviser's engagement with selected issuers on their corporate governance practices, as well as on other material sustainability issues related to the SDGs, in line with the Investment Adviser's Fixed Income Engagement Strategy, available on www.morganstanley.com/im.

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

The Fund excludes from the entirety of the portfolio issuers which have experienced very severe controversies that are deemed to violate the UN Global Compact, the UN Guiding Principles on Business and Human Rights, or the ILO Fundamental Principles, and issuers with very severe controversies related to violations of the OECD Guidelines for Multinational Enterprises. This screening is done using third-party data.

Data sources and processing

The Investment Adviser leverages ESG data from various 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 Investment teams, to access the information for research, portfolio analysis and construction, and 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 may be estimated data. The Investment Adviser 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 investee companies) when available.

The SFDR dataset definitions which this Fund uses are listed below:

| Data Set | Definition |
|-------------------------|--|
| Screening/Controversies | Business practices and products/services |
| SDG | Revenue and/or operational contribution or obstruction towards the UN SDGs |
| Diversity & Inclusion | Board level diversity metrics and corporate policies |
| Environmental Metrics | Water use, waste generation, and local pollution |
| Carbon Metrics | Emissions, Fossil Fuel, and Power Generation |
| Gender Equality | Gender-related metrics and policies |

Limitations to methodologies and data

The Investment Adviser uses data to assess the PAI indicators from third-party providers. The Fund may use reasonable proxy data for PAI indicators where the Investment Adviser 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 Adviser 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 Adviser to ensure that they are appropriate substitutes for the relevant PAI indicator.

Currently the Fund does not use proxy data for PAI indicators and this document will be updated if the Fund does need to use reasonable proxy data for PAI indicators.

Additionally, 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:

- methodology differences between data providers;
- discrepancies in reported vs. estimated carbon emissions data such as Scope 3 emissions;
- data lags i.e., reporting timelines for data may not align with SFDR reporting timelines;
- coverage gaps across asset classes, geographies, and market capitalisations; and
- the net zero emissions and low carbon intensity commitments do not currently consider scope 3 emissions, because: (i) companies have less control over their indirect emissions; and (ii) data estimates for scope 3 emissions may result in less accurate assessments.

Despite these limitations, which impact all consumers of ESG data and are not particular to MSIM, the Investment Adviser 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), assessing vendor data quality and methodologies, comparing ESG data points between vendors or against its own internal analyses and using appropriate estimations to manage data gaps.

Due diligence

The Investment Adviser relies on internal research to derive its own independent assessment of an issuer's value and credit worthiness, using third-party agency and sell side research as an input.

The Investment Adviser conducts in-depth bottom-up analysis:

- for corporate bonds, to identify bond issuers that meet its investment criteria in terms of competitive position, franchise value and management quality;
- for government bonds, to identify bond issuers that meet its investment criteria that underpin economic progress and resilience of sovereign nations, and which the Investment Adviser considers most material to the performance of their debt; and
- for securitisations, to analyse each security's underlying loans or collateral covering factors such as location, occupancy rates, borrowers' credit availability and history of defaults.

As part of this process, the Investment Adviser also conducts bottom-up due diligence on the Fund's investments to identify any sustainability risks that could impact the value of the assets, which is considered by the Investment Adviser when making investment decisions on a non-binding basis. The due diligence process is based on in-house research and third-party data.

In addition, the Investment Adviser's Risk team conducts top-down sustainability investment risk analysis on the Fund. This information is monitored on an ongoing basis and monthly reports are provided to the

Investment Adviser's senior management, and are taken into account as a non-binding element of the Fund's investment decision making processes.

Engagement policies

The Investment Adviser may engage with selected bond issuers on their corporate and sovereign governance practices, as well as on other material sustainability issues related to the SDGs, including sustainability-related controversies or breaches of international norms and principles. Such engagement activities support, on a qualitative and non-binding basis, the Fund's PAI and good governance assessment.

A non-exhaustive list of examples of the Investment Adviser's engagement priorities are:

- Climate Change – promote policies to hasten energy transition to clean and renewable sources of energy and to address the physical risks of climate change;
- Diversity – advance women and minorities at board and management levels, and promote diversity and inclusion at all levels of the workforce;
- Labour and Human Rights – strengthen performance in company operations and supply chains; and
- Disclosure – improve disclosure of material ESG matters.

The Investment Adviser has developed a Fixed Income Engagement Strategy, available on www.morganstanley.com/im, to structure and conduct engagement meetings with bond issuers.

Designated reference benchmark

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

Sustainable Euro Strategic Fund

Website Disclosure Summaries (Multiple Languages)

SFDR Artikel 8 Websted Offentliggørelse

Produkt navn: Sustainable Euro Strategic Fund
("fonden")

En fond under Morgan Stanley Investment Funds

Identifikator for juridisk enhed:

5493001NHR60KNHKPZ06

Sammenfatning

Intet bæredygtigt investeringsmål

Dette finansielle produkt fremmer miljømæssige og sociale karakteristika, men har ikke bæredygtige investeringer som målsætning.

Fonden vil få mindst 50% bæredygtige investeringer.

Metoden "gør ikke væsentlig skade", som investeringsrådgiveren anvender, har til formål at sikre, at fondens bæredygtige investeringer ikke forårsager væsentlig skade på nogen af de obligatoriske indikatorer for de vigtigste negative virkninger ("PAI") i EU's SFDR-regler, som er relevante for investeringen, og at de er i overensstemmelse med visse sociale minimumsgarantier.

Det finansielle produkts miljømæssige eller sociale karakteristika

Fonden fremmer den miljømæssige egenskab modvirkning af klimaforandringer ved: a) at opretholde en lavere kulstofintensitet end virksomhedsderne i Bloomberg Euro Aggregate-indekset, b) at sigte mod at opnå netto-nul-emissioner på porteføljeniveau for virksomhedsinvesteringer inden 2050 og halvere dem inden 2030 i forhold til 2020, og c) at udelukke investeringer i visse typer fossile brændstoffer. Herudover fremmer fonden den sociale egenskab, at investeringer i aktiviteter, der kan skade menneskers sundhed og velvære, og i statslige udskedere, der i væsentlig grad krænker social rettigheder, samt sikkerhedsstillelser, der er i strid med ansvarlig forretnings- eller udlånspraksis, skal undgås.

Fonden søger også at investere i virksomheder, stater og sikkerhedsstillelser, som den anser for at være bedst i klassen på ESG-området.

Endvidere vil en del af fondens investeringer være bæredygtige investeringer i: a) virksomhedsudstedere, hvis forretningspraksis, produkter eller løsninger yder et positivt nettobidrag til FN's mål for bæredygtig udvikling ("SDGs"), b) statslige udstedere, der er forbundet med positive miljømæssige eller sociale egenskaber på grundlag af ESG-resultater, eller c) grønne obligationer, sociale obligationer eller bæredygtighedsobligationer ("bæredygtighedsobligationer"), der yder et positivt miljømæssigt eller socialt bidrag gennem deres anvendelse af udbyttet.

Investeringsstrategi

Fondens formål er at generere et afkast gennem investeringer primært i fastforrentede euro-denominerede værdipapirer.

Fonden opfylder sine miljømæssige og sociale karakteristika gennem:

a) Udelukkelse af:

- virksomhedsudstedere, som: i) genererer indtægter fra kontroversielle våben, civile skydevåben, fremstilling af tobak eller minedrift og udvinding af termisk kul, ii) får en vis andel af deres indtægter fra udvinding af oliesand, arktisk olie- og gasproduktion, kulfyret elproduktion, spil, pornografi eller detailhandel med og distribution af tobak; eller iii) overtræder vigtige internationale normer om social sikkerhed eller har meget alvorlige ESG-relaterede konflikter,
 - statslige udstedere, der befinder sig blandt de nederste 10% lande med hensyn til sociale krænkelser, eller
 - sikkerhedsstillelser knyttet til negativ adfærd herunder åger og svigagtig adfærd.
- b) således at porteføljen tippes i retning af de udstedere, der har de bedste ESG-resultater.
- c) at opretholde en lavere kulstofintensitet end referencebenchmark, idet der sigtes mod netto-nul-emissioner på porteføljeniveau for virksomhedsinvesteringer inden 2050.

Derudover har fonden som mål at investere en del af sine aktiver i bæredygtige investeringer (som beskrevet ovenfor).

Som en del af sin grundlæggende bottom-up research-proces inddrager investeringsrådgiveren systematisk en vurdering af en udsteders virksomhedsledelse og forretningspraksis.

Andel af investeringerne

| Justeret i forhold til E/S-egenskaber | 80% |
|---------------------------------------|------------|
| Bæredygtige investeringer | 50% |
| Taksonomitilpasset | - |
| Andre miljømæssige sociale | - |
| E/S-karakteristika | 30% |
| Andre investeringer | 20% |

Fonden forventer at allokere 50% af sine aktiver til bæredygtige investeringer.

80% af investeringerne er tilpasset til miljømæssige eller sociale karakteristika. Det meste af dette omfatter investeringer, der giver direkte eksponering mod investeringsenheder, skønt en del af disse 80% kan omfatte sikkerhedsstillelser, der giver indirekte eksponering mod underliggende aktiver.

Disse procentsatser måles i forhold til værdien af investeringerne.

Overvågning af miljømæssige eller sociale karakteristika

De miljømæssige og sociale karakteristika overvåges ved hjælp af en kombination af værktøjer/screeninger, porteføljeovervågningsværktøjer og manuelle skrivebordsundersøgelser og analyser.

Investeringsrådgiverens compliance-, risiko- og porteføljeovervågningshold samarbejder med investeringsteamet om at foretage regelmæssige portefølje-/resultatgennemgange og systemiske kontroller for at sikre overensstemmelse med porteføljeinvesteringsmål og miljømæssige og sociale karakteristika.

Metoder

Fondens egenskaber med lavt CO₂- og netto-nulniveau måles ved hjælp af den vægtede gennemsnitlige CO₂-intensitet ("WACI") som beregnes ud fra Scope 1- og 2-emissioner i tons CO₂-ækvivalenter.

Fondens positive best-in-class-screening måles ved hjælp af investeringsrådgiverens egenudviklede metode til måling af ESG-resultater.

Overholdelsen af udelukkelsesfiltrene måles på grundlag af udelukkelseskriterierne og den procentdel af fondens investeringer, som er i strid med udelukkelsesfiltrene.

De bæredygtige investeringer, fonden foretager, vurderes som beskrevet ovenfor i relation til "det finansielle produkts miljømæssige og sociale karakteristika". Derudover vurderes de bæredygtige investeringer i forhold til investeringsrådgiverens metode om "gør ikke væsentlig skade", der er beskrevet ovenfor.

Datakilder og databehandling

Investeringsrådgiveren indhenter ESG-data fra forskellige eksterne leverandører. Disse data indsamles og lagres i Morgan Stanleys centraliserede ESG-database, så alle Morgan Stanleys forretningsenheder, herunder MSIM-investeringsteams, kan få adgang til oplysningerne med henblik på forskning, porteføljeanalyse og -konstruktion samt rapportering til kunder og myndigheder.

På grund af lakuner i datadækningen er en lille del af de data, der anvendes til at vurdere overensstemmelsen med de miljømæssige/ sociale karakteristika, estimerede data.

Begrænsninger mht. metoder og data

Fonden kan anvende passende erstatningsdata for PAI-indikatorer, hvis investeringsrådgiveren mener, at de data, der er til rådighed, ikke er tilstrækkeligt dækkende eller pålidelige. For yderligere oplysninger om databegrænsninger henvises til de fuldstændige oplysninger på webstedet. Investeringsrådgiveren træffer rimelige foranstaltninger for at sikre, at fonden er i stand til at opfylde sine miljømæssige og sociale karakteristika på trods af disse begrænsninger, herunder gennemgang og vurdering af proxyer for at sikre, at de er passende substitutter for de ESG-temaer, der fremmes af den relevante PAI-indikator.

Hvis der desuden ikke foreligger screeningdata fra tredjepart i forbindelse med fondens udelukkelse for så vidt angår en udsteder, vil investeringsrådgiveren gøre sit bedste for gennem intern research at verificere, at udstederen ikke overtræder fondens bindende kriterier.

Due diligence

Investeringsrådgiveren baserer sig på interne undersøgelser til at foretage sin egen uafhængige vurdering af en udsteders værdi og kreditværdighed, idet han anvender tredjepartsagenturer og sælgers undersøgelser som input.

Investeringsrådgiveren gennemfører en dybtgående bottom-up-analyse:

- for at identificere obligationsudstedere, der opfylder investeringskriterierne med hensyn til status i konkurrencen, franchiseværdi og ledelseskvalitet.
- for statsobligationer at identificere obligationsudstedere, der opfylder

investeringskriterierne, som understøtter suveræne nationers økonomiske fremskridt og modstandsdygtighed, og som investeringsrådgiveren anser for at være mest væsentlige for deres gældsafvikling, og

- for sikkerhedsstillinger, til at analysere hvert værdipapirs underliggende lån eller sikkerhedsstillelse, der dækker faktorer som f.eks. beliggenhed, belægningsgrad, låntagernes kreditmuligheder og historik for misligholdelse.

Investeringsrådgiveren udfører også bottom-up due diligence på fondens investeringer for at identificere eventuelle bæredygtighedsrisici, der kan påvirke aktiverens værdi, som vurderes på et uforpligtende grundlag.

Desuden udfører investeringsrådgiverens risikoteam top-down-analyser på fonden af investeringsrisikoen for bæredygtighed. Disse oplysninger kontrolleres løbende, og der udarbejdes månedlige rapporter til investeringsrådgiverens øverste ledelse, og de tages i betragtning som et uforpligtende element i forbindelse med fondens investeringsprocedurer.

Politikker for aktivt ejerskab

Investeringsrådgiveren kan gå i dialog med udvalgte obligationsudstedere om deres statslige forvaltningspraksis samt om andre væsentlige bæredygtighedsspørgsmål i forbindelse med SDG'erne, herunder bæredygtighedsrelaterede tvister eller brud på internationale normer og principper. Disse engagementaktiviteter støtter på et kvalitativt og ikke-bindende grundlag vurderingen af fondens PAI og god forvaltningspraksis.

Angivet referencebenchmark

Fonden har ikke udpeget et referencebenchmark med henblik på at opnå sine miljømæssige eller sociale karakteristika.

Offenlegung nach Artikel 8 SFDR auf der Website

Produktname: *Sustainable Euro Strategic Bond Fund (der „Fonds“)*

Ein Fonds von Morgan Stanley Investment Funds

LEI-Code: 5493001NHR60KNHKPZ06

Zusammenfassung

Kein nachhaltiges Investitionsziel

Dieses Finanzprodukt bewirbt ökologische und soziale Merkmale, hat jedoch keine nachhaltige Investition zum Ziel.

Der Fonds wird einen Anteil von mindestens 50 % in nachhaltigen Investitionen halten.

Die Methode des Anlageberaters, keine erhebliche Beeinträchtigung 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, erheblich beeinträchtigen.

Ökologische oder soziale Merkmale des Finanzprodukts

Der Fonds bewirbt das ökologische Merkmal des Klimaschutzes, indem er: (a) eine geringere Kohlenstoffintensität als das Unternehmenssegment des Bloomberg Euro Aggregate Index aufrechterhält, (b) bis 2050 Netto-Null-Emissionen auf Portfolioebene für Unternehmensinvestitionen anstrebt und diese bis 2030 im Vergleich zu 2020 zu halbieren gedenkt, und (c) Investitionen in bestimmte Arten von fossilen Brennstoffen ausschließt. Darüber hinaus bewirbt der Fonds das soziale Merkmal der Vermeidung von Investitionen in Aktivitäten, die der Gesundheit und dem Wohlbefinden der Menschen schaden können, bei staatlichen Emittenten, die soziale Rechte erheblich verletzen, und in Verbriefungen, die gegen verantwortungsvolle Geschäfts- oder Kreditvergabepraktiken verstoßen.

Der Fonds zielt ferner darauf ab, in Unternehmen, Staaten und Verbriefungen zu investieren, die seiner Ansicht nach in Bezug auf ESG-Aspekte zu den Besten ihrer Klasse gehören.

Zudem wird ein Anteil der Anlagen des Fonds in folgenden nachhaltigen Investitionen gehalten: a) Unternehmensemittenten, deren Geschäftspraktiken, Produkte oder Lösungen einen positiven Nettobeitrag zu den Zielen für nachhaltige Entwicklung der Vereinten Nationen („SDGs“) leisten, (b) souveräne Emittenten, die auf der Grundlage ihrer ESG-Bewertungen mit positiven ökologischen oder sozialen Merkmalen assoziiert werden, oder (c) grüne, soziale oder Nachhaltigkeitsanleihen („Nachhaltigkeitsanleihen“), deren Erlöse für einen positiven ökologischen oder sozialen Beitrag verwendet werden.

Anlagestrategie

Ziel des Fonds ist es, eine Rendite zu generieren, indem er vornehmlich in auf Euro lautende festverzinsliche Wertpapiere investiert.

Der Fonds erfüllt seine ökologischen und sozialen Merkmale wie folgt:

- a) Ausschluss von:
 - Unternehmensemittenten, die: (i) Einnahmen aus umstrittenen Waffen, der Herstellung von zivilen Schusswaffen, Tabak oder dem Abbau und der Förderung von Kraftwerkskohle erzielen, (ii) einen bestimmten Anteil ihrer Einnahmen aus der Ölsandförderung, der arktischen Öl- und Gasförderung, der Kohleverstromung, Glücksspielen, der Erwachsenenunterhaltung oder dem Tabakeinzelhandel und -vertrieb erzielen, oder (iii) gegen wichtige internationale Normen zur sozialen Absicherung verstoßen oder sehr schwerwiegende ESG-bezogene Kontroversen aufweisen,
 - staatliche Emittenten, die auf der Grundlage des vom Anlageberater entwickelten Indikators zu den 10 % der Länder mit der schlechtesten Bewertung in Bezug auf die Verletzung sozialer Normen gehören, oder
 - Verbriefungen, die mit bestimmten negativen Verhaltensweisen in Verbindung gebracht werden, einschließlich wucherischer Kreditvergabepraktiken, Verstößen gegen bestimmte Verbraucherschutzstandards und betrügerischen Verhaltens.
- b) Ausrichtung des Portfolios auf Emittenten mit dem besten ESG-Score.
- c) Aufrechterhaltung einer geringeren Kohlenstoffintensität als der Referenzwert, mit dem Ziel, bis 2050 auf Portfolioebene Netto-Null-Emissionen für Unternehmensinvestitionen zu erreichen.

Darüber hinaus strebt der Fonds an, mindestens 50 % seines Vermögens in nachhaltigen Investitionen anzulegen (wie oben dargelegt).

Im Rahmen seines Verfahrens der Bottom-up-Fundamentalanalyse bezieht der Anlageberater 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> | 50% |
| <i>Taxonomie-konform</i> | - |
| <i>Sonstig ökologisch</i> | - |
| <i>Sozial</i> | - |
| <i>Sonstige ökologische und soziale Merkmale</i> | 30% |
| Sonstige Investitionen | 20% |

Es wird davon ausgegangen, dass der Fonds mindestens 50 % seines Vermögens in nachhaltigen Investitionen hält.

80 % der Investitionen sind auf ökologische oder soziale Merkmale ausgerichtet. Dabei handelt es sich größtenteils um Investitionen, die ein direktes Engagement in den Portfoliounternehmen bedeuten, wengleich ein Teil dieser 80 % aus Verbriefungen bestehen kann, die ein indirektes Engagement in den Basiswerten darstellen.

Diese Prozentanteile werden gemäß dem Anlagewert gemessen

Überwachung der ökologischen oder sozialen Merkmale

Die ökologischen und sozialen Merkmale werden durch Tools/Filter, Portfolioüberwachungs-Tools und manuelle Überprüfungen und Analysen des Teams überwacht.

Die Compliance-, Risiko- und Portfolioüberwachungsteams des Anlageberaters arbeiten mit dem Anlageteam zusammen, um regelmäßige Portfolio-/Performanceüberprüfungen und systemische Kontrollen durchzuführen, um die Compliance mit den Anlagezielen sowie den ökologischen und sozialen Merkmalen des Portfolios sicherzustellen.

Methoden

Die niedrige Kohlenstoffintensität und Netto-Null-Ziele als Merkmale des Fonds werden durch die Kennzahl der gewichteten durchschnittlichen Kohlenstoffintensität („**Weighted Average Carbon Intensity, WACI**“) erfasst, die anhand der Scope 1- und 2-Emissionen in Tonnen CO₂-Äquivalenten berechnet wird.

Das positive Best-in-Class-Screening des Fonds wird anhand der eigenen ESG-Scoring-Methode des Anlageberaters durchgeführt.

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

Die vom Fonds getätigten nachhaltigen Investitionen werden wie oben beschrieben in Bezug auf die „ökologischen oder sozialen Merkmale des Finanzprodukts“ bewertet. Darüber hinaus werden die nachhaltigen Investitionen anhand der oben beschriebenen Methode des Anlageberaters zur Vermeidung einer erheblichen Beeinträchtigung („do no significant harm“) bewertet.

Datenquellen und -verarbeitung

Der Anlageberater nutzt ESG-Daten verschiedener externer Anbieter. Diese Daten werden im zentralisierten ESG-Datenspeicher von Morgan Stanley gesammelt und gespeichert, sodass alle Geschäftseinheiten von Morgan Stanley, darunter auch die Anlageteams von MSIM, Zugang zu diesen Informationen für Research, Portfolioanalyse und -konstruktion sowie die Berichterstattung an Kunden und Aufsichtsbehörden haben.

Aufgrund von Lücken bei der Datenabdeckung kann es sich bei einem kleinen Anteil der Daten, die zur Bewertung der Ausrichtung auf ökologische und soziale Merkmale eingesetzt werden, um Schätzungen handeln.

Beschränkungen hinsichtlich der Methoden und Daten

Der Fonds kann angemessene Proxydaten für PAI-Indikatoren einsetzen, wenn der Anlageberater der Ansicht ist, dass die Daten nicht allgemein verfügbar oder leicht erhältlich sind. Weitere Informationen zu dieser begrenzten Datenverfügbarkeit finden Sie in der vollständigen Offenlegung auf der Website. Der Anlageberater ergreift angemessene Maßnahmen, um sicherzustellen, dass der Fonds seine ökologischen und sozialen Merkmale dennoch erfüllen kann, beispielsweise die Prüfung und Bewertung von Proxydaten, um sicherzustellen, dass sie ein angemessener Ersatz für die ESG-Themen sind, die vom jeweiligen PAI-Indikator gefördert werden.

Wenn für einen Emittenten keine Screening-Daten von Dritten bezüglich der Ausschlusskriterien des Fonds zur Verfügung stehen, wird sich der Anlageberater nach besten Kräften bemühen, mit eigenem Research zu überprüfen, dass der Emittent nicht gegen die verbindlichen Kriterien des Fonds verstößt.

Sorgfaltspflicht

Der Anlageberater betreibt sein eigenes internes Research, um den Unternehmenswert und die Kreditwürdigkeit eines Emittenten unabhängig zu bewerten, wobei er sich als Input auf das Research von Drittanbietern und der Sell-Side stützt.

Der Anlageberater führt eine gründliche Bottom-up-Analyse durch:

- für Unternehmensanleihen, um Emittenten zu identifizieren, die seine Anlagekriterien in Bezug auf Wettbewerbsposition, Unternehmenswert und Managementqualität erfüllen,
- für Staatsanleihen, um Emittenten zu identifizieren, die seine Anlagekriterien erfüllen, die den wirtschaftlichen Fortschritt und die Widerstandsfähigkeit der Staaten untermauern und die der Anlageberater als am wichtigsten für die Wertentwicklung ihrer Schuldtitel erachtet, und
- für Verbriefungen, um die zugrunde liegenden Kredite oder Sicherheiten jedes Wertpapiers zu analysieren, wobei Faktoren wie Standort, Auslastungen, Kreditverfügbarkeit und Ausfälle in der Vergangenheit berücksichtigt werden.

Ferner führt der Anlageberater eine Bottom-up-Due-Diligence-Prüfung der Investitionen des Fonds durch, um etwaige Nachhaltigkeitsrisiken zu ermitteln, die sich auf den Wert der Vermögenswerte auswirken könnten, was auf unverbindlicher Basis berücksichtigt wird.

Darüber hinaus führt das Risikoteam des Anlageberaters für den Fonds eine Top-down-Risikoanalyse zu Nachhaltigkeitsaspekten durch. Diese Informationen werden laufend überwacht und der Geschäftsleitung des Anlageberaters werden monatliche Berichte vorgelegt, die bei den Anlageentscheidungen des Fonds als nicht bindendes Element berücksichtigt werden.

Mitwirkungspolitik

Der Anlageberater nimmt gegebenenfalls bei ausgewählten Anleiheemittenten Einfluss auf ihre Praktiken der Unternehmens- und Staatsführung sowie andere wesentliche Nachhaltigkeitsthemen im Zusammenhang mit den Zielen für nachhaltige Entwicklung (SDGs), einschließlich nachhaltigkeitsbezogener Kontroversen oder Verstößen gegen internationale Normen und Grundsätze. Solche Mitwirkungsaktivitäten unterstützen auf qualitativer und unverbindlicher Basis die Bewertung der wichtigsten nachteiligen Auswirkungen (Principal Adverse Impacts, PAI) und der Unternehmensführung.

Bestimmter Referenzwert

Der Fonds hat keinen Referenzwert für das Erreichen seiner ökologischen oder sozialen Merkmale bestimmt.

SFDR Άρθρο 8 Γνωστοποίηση ιστότοπου

Όνομα προϊόντος: *Sustainable Euro Strategic Bond Fund (to «Αμοιβαίο Κεφάλαιο»)*

Ένα αμοιβαίο κεφάλαιο της Morgan Stanley Investment Funds

Αναγνωριστικός κωδικός νομικής οντότητας:
5493001NHR60KNHKPZ06

Περίληψη

Κανένας στόχος αειφόρων επενδύσεων

Αυτό το χρηματοπιστωτικό προϊόν προωθεί περιβαλλοντικά και κοινωνικά χαρακτηριστικά, αλλά δεν έχει ως στόχο του αειφόρες επενδύσεις.

Το Αμοιβαίο Κεφάλαιο θα έχει ελάχιστο ποσοστό 50% αειφόρων επενδύσεων.

Η μεθοδολογία «μη πρόκλησης σημαντικής ζημίας» που εφαρμόζει ο Σύμβουλος Επενδύσεων επιδιώκει να διασφαλίσει ότι οι αειφόρες επενδύσεις του Αμοιβαίου Κεφαλαίου δεν βλάπτουν σοβαρά κανέναν από τους υποχρεωτικούς δείκτες κύριων δυσμενών επιπτώσεων («**PAI**») των κανόνων SFDR της ΕΕ, οι οποίοι είναι σχετικοί με την επένδυση και συμμορφώνονται με ορισμένες ελάχιστες κοινωνικές εγγυήσεις.

Περιβαλλοντικά ή κοινωνικά χαρακτηριστικά του χρηματοπιστωτικού προϊόντος

Το Αμοιβαίο Κεφάλαιο προωθεί το περιβαλλοντικό χαρακτηριστικό του μετριασμού της κλιματικής αλλαγής, μέσω των εξής: (α) διατηρώντας χαμηλότερη ένταση άνθρακα σε σχέση με το εταιρικό τμήμα του δείκτη Bloomberg Euro Aggregate, (β) στοχεύοντας στην επίτευξη καθαρών μηδενικών εκπομπών ρύπων σε επίπεδο χαρτοφυλακίου για εταιρικές επενδύσεις έως το 2050, με μείωσή τους στο ήμισυ έως το 2030, σε σύγκριση με το 2020 και (γ) εξαιρώντας επενδύσεις σε συγκεκριμένους τύπους ορυκτών καυσίμων. Επιπλέον, το Αμοιβαίο Κεφάλαιο προωθεί το κοινωνικό χαρακτηριστικό της αποφυγής επενδύσεων σε δραστηριότητες που μπορούν να προκαλέσουν βλάβη στην ανθρώπινη υγεία και ευημερία, σε κρατικούς εκδότες που παραβιάζουν σημαντικά τα κοινωνικά δικαιώματα και σε τιτλοποιήσεις που παραβιάζουν υπεύθυνες επιχειρηματικές ή δανειοδοτικές πρακτικές.

Το Αμοιβαίο Κεφάλαιο επιδιώκει, επίσης, να επενδύει σε εταιρείες, κρατικούς φορείς και τιτλοποιήσεις, τα οποία θεωρεί κορυφαία στην κατηγορία τους σε θέματα ESG.

Επιπροσθέτως, ένα ποσοστό των επενδύσεων του Αμοιβαίου Κεφαλαίου θα είναι αειφόρες επενδύσεις σε: (α) εταιρικούς εκδότες των οποίων οι επιχειρηματικές πρακτικές, τα προϊόντα ή οι λύσεις έχουν καθαρή θετική συμβολή στους Στόχους Βιώσιμης Ανάπτυξης των Ηνωμένων Εθνών («**SBAs**»), (β) κρατικούς εκδότες που συνδέονται με θετικά περιβαλλοντικά ή κοινωνικά χαρακτηριστικά με βάση τις βαθμολογίες τους ESG ή (γ) Πράσινα, Κοινωνικά ή Βιώσιμα ομόλογα ή (γ) Πράσινα, Κοινωνικά ή Βιώσιμα ομόλογα («**Βιώσιμα ομόλογα**») που έχουν θετική περιβαλλοντική ή κοινωνική συμβολή μέσω της χρήσης των εσόδων τους.

Επενδυτική στρατηγική

Στόχος του Αμοιβαίου Κεφαλαίου είναι η δημιουργία απόδοσης μέσω επενδύσεων κυρίως σε τίτλους σταθερού εισοδήματος που εκδίδονται σε ευρώ.

Το Αμοιβαίο Κεφάλαιο ανταποκρίνεται στα περιβαλλοντικά και κοινωνικά χαρακτηριστικά του μέσω:

- a) του αποκλεισμού:
- εταιρικών εκδοτών οι οποίοι: (i) αποκτούν έσοδα από την κατασκευή αμφιλεγόμενων όπλων, μη στρατιωτικών πυροβόλων όπλων ή την εξόρυξη και εκμετάλλευση θερμικού άνθρακα, (ii) αντλούν ένα συγκεκριμένο ποσοστό των εσόδων τους από την εξόρυξη πετρελαιοφόρου άμμου, την παραγωγή πετρελαίου και αερίου της Αρκτικής, την παραγωγή ενέργειας με άνθρακα, τα τυχερά παιχνίδια, το ψυχαγωγικό

- περιεχόμενο για ενήλικες ή τη λιανική πώληση και διανομή καπνού ή (iii) παραβιάζουν βασικούς διεθνείς κανόνες για τις κοινωνικές εγγυήσεις ή αντιμετωπίζουν σοβαρές αντιπαραθέσεις σχετικά με ζητήματα ESG,
 - κρατικών εκδοτών που βρίσκονται στο κατώτερο 10% στην κατάταξη των χωρών για κοινωνικές παραβιάσεις ή
 - τιτλοποιήσεων που συνδέονται με ορισμένες αρνητικές συμπεριφορές, όπως πρακτικές ληστρικού δανεισμού, παραβίαση ορισμένων προτύπων προστασίας των καταναλωτών και δόλια συμπεριφορά.
- b) διαθρώνοντας το χαρτοφυλάκιο με έμφαση στους εκδότες με την καλύτερη βαθμολογία ESG της κατηγορίας.
- c) διατηρώντας χαμηλότερη ένταση άνθρακα σε σύγκριση με τον δείκτη αναφοράς, στοχεύοντας καθαρές μηδενικές εκπομπές ρύπων σε επίπεδο χαρτοφυλακίου για τις εταιρικές επενδύσεις έως το 2050.

Επιπλέον, το Αμοιβαίο Κεφάλαιο έχει σκοπό να επενδύει ένα ελάχιστο ποσοστό 50% του ενεργητικού του σε αειφόρες επενδύσεις (όπως αναφέρονται παραπάνω).

Στο πλαίσιο της θεμελιώδους «bottom-up» (από τη βάση προς την κορυφή) ανάλυσης, ο Σύμβουλος Επενδύσεων ενσωματώνει συστηματικά την αξιολόγηση της εταιρικής διακυβέρνησης και των επιχειρηματικών πρακτικών ενός εκδότη.

Ποσοστό επενδύσεων

| Ευθυγράμμιση με Π/Κ χαρακτηριστικά | 80% |
|---|------------|
| <i>Αειφόρες επενδύσεις</i> | 50% |
| <i>Ευθυγράμμιση με ταξινόμια</i> | - |
| <i>Άλλα περιβαλλοντικά</i> | - |
| <i>Κοινωνικά</i> | - |
| <i>Άλλα Π/Κ χαρακτηριστικά</i> | 30% |
| Άλλες επενδύσεις | 20% |

Το Αμοιβαίο Κεφάλαιο αναμένει να διαθέσει τουλάχιστον το 50% του ενεργητικού του σε αειφόρες επενδύσεις.

Το 80% των επενδύσεων είναι ευθυγραμμισμένες με περιβαλλοντικά ή κοινωνικά χαρακτηριστικά. Το μεγαλύτερο μέρος αποτελείται από επενδύσεις οι οποίες προσφέρουν άμεση έκθεση σε οντότητες-αποδέκτες των επενδύσεων, παρόλο που ένα μέρος του ποσοστού του 80% αποτελείται από τιτλοποιήσεις που προσφέρουν έμμεση έκθεση σε υποκείμενα στοιχεία ενεργητικού.

Τα ποσοστά αυτά υπολογίζονται σύμφωνα με την αξία των επενδύσεων.

Παρακολούθηση περιβαλλοντικών ή κοινωνικών χαρακτηριστικών

Τα περιβαλλοντικά και κοινωνικά χαρακτηριστικά παρακολουθούνται χρησιμοποιώντας ένα συνδυασμό εργαλείων / ελέγχων, εργαλείων επιτήρησης χαρτοφυλακίου και χειροκίνητων επισκοπήσεων και αναλύσεων.

Οι ομάδες κανονιστικής συμμόρφωσης, κινδύνων και εποπτείας χαρτοφυλακίου του Επενδυτικού Συμβούλου συνεργάζονται με την επενδυτική ομάδα για τη διενέργεια τακτικών επισκοπήσεων χαρτοφυλακίου/απόδοσης και συστημικών ελέγχων προκειμένου να διασφαλίζεται η συμμόρφωση με τους επενδυτικούς στόχους του χαρτοφυλακίου και τα περιβαλλοντικά και κοινωνικά χαρακτηριστικά.

Μεθοδολογίες

Για τη μέτρηση των χαρακτηριστικών χαμηλών εκπομπών άνθρακα και των καθαρών μηδενικών εκπομπών ρύπων χρησιμοποιείται η Μέση Σταθμισμένη Ένταση Άνθρακα («**Weighted Average Carbon Intensity, WACI**») η οποία υπολογίζεται ως εκπομπές Πεδίου 1 και 2, σε τόνους ισοδύναμου διοξειδίου του άνθρακα (CO₂).

Η διαδικασία του καλύτερου στην κατηγορία θετικού ελέγχου που εφαρμόζει το Αμοιβαίο Κεφάλαιο μετράται μέσω της ιδιόκτητης μεθοδολογίας βαθμολόγησης EST του Συμβούλου Επενδύσεων.

Η συμμόρφωση με τους ελέγχους αποκλεισμού μετράται με βάση το ποσοστό των επενδύσεων του Αμοιβαίου Κεφαλαίου που παραβιάζουν τους ελέγχους αποκλεισμού.

Οι αιφόρες επενδύσεις που πραγματοποιούνται από το Αμοιβαίο Κεφάλαιο αξιολογούνται όπως περιγράφεται ανωτέρω σε σχέση με τα «περιβαλλοντικά ή κοινωνικά χαρακτηριστικά του χρηματοπιστωτικού προϊόντος». Επιπλέον, οι αιφόρες επενδύσεις αξιολογούνται με βάση τη μεθοδολογία «μη πρόκλησης σημαντικής ζημίας» του Συμβούλου Επενδύσεων που περιγράφεται παραπάνω.

Πηγές και επεξεργασία δεδομένων

Ο Σύμβουλος Επενδύσεων αξιοποιεί δεδομένα ESG από διάφορους εξωτερικούς προμηθευτές. Τα δεδομένα αυτά συλλέγονται και αποθηκεύονται στο κεντρικό αποθετήριο δεδομένων ESG της Morgan Stanley, ώστε οποιαδήποτε επιχειρηματική μονάδα της Morgan Stanley, συμπεριλαμβανομένων των επενδυτικών ομάδων MSIM, να έχει πρόσβαση στις πληροφορίες για σκοπούς έρευνας, ανάλυσης και δημιουργίας χαρτοφυλακίου, καθώς και υποβολής εκθέσεων σε πελάτες και κανονιστικές αρχές.

Λόγω κενών στην κάλυψη των δεδομένων, ένα μικρό ποσοστό των δεδομένων που χρησιμοποιούνται για την αξιολόγηση της ευθυγράμμισης με τα Π/Κ χαρακτηριστικά μπορεί να είναι κατ' εκτίμηση δεδομένα.

Περιορισμοί μεθοδολογιών και δεδομένων

Το Αμοιβαίο Κεφάλαιο μπορεί να χρησιμοποιεί εύλογα δεδομένα υποκατάστασης για τους δείκτες PAI όταν ο Σύμβουλος Επενδύσεων θεωρεί ότι τα δεδομένα δεν είναι ευρέως ή αξιόπιστα διαθέσιμα. Για περισσότερες λεπτομέρειες σχετικά με τους περιορισμούς των δεδομένων, ανατρέξτε στην πλήρη γνωστοποίηση του ιστότοπου. Ο Σύμβουλος Επενδύσεων λαμβάνει εύλογα μέτρα για να διασφαλίσει ότι το Αμοιβαίο Κεφάλαιο είναι σε θέση να ανταποκριθεί στα περιβαλλοντικά και κοινωνικά χαρακτηριστικά του παρά τους περιορισμούς αυτούς, συμπεριλαμβανομένης της εξέτασης και αξιολόγησης των δεδομένων υποκατάστασης για να διασφαλίσει ότι αποτελούν κατάλληλα υποκατάστατα των ζητημάτων ESG που προωθεί ο σχετικός δείκτης PAI.

Επιπλέον, όταν για έναν εκδότη δεν υπάρχουν διαθέσιμα στοιχεία ελέγχου από τρίτους σε σχέση με τους αποκλεισμούς του Αμοιβαίου Κεφαλαίου, ο Σύμβουλος Επενδύσεων καταβάλλει κάθε δυνατή προσπάθεια για να επαληθεύσει, μέσω εσωτερικής έρευνας, ότι ο εκδότης δεν παραβιάζει τα δεσμευτικά κριτήρια του Αμοιβαίου Κεφαλαίου.

Δέουσα επιμέλεια

Ο Σύμβουλος Επενδύσεων βασίζεται σε εσωτερική έρευνα για να διενεργήσει μια ανεξάρτητη αξιολόγηση της αξίας και της πιστοληπτικής ικανότητας ενός εκδότη, χρησιμοποιώντας ως εισρεόμενα στοιχεία την έρευνα τρίτων οργανισμών και την έρευνα από πλευράς πώλησης.

Ο Σύμβουλος Επενδύσεων διενεργεί εμπειριστατωμένη «bottom-up» (από τη βάση προς την κορυφή) ανάλυση:

- για εταιρικά ομόλογα, για τον εντοπισμό εκδοτών ομολόγων που πληρούν τα επενδυτικά του κριτήρια όσον αφορά την ανταγωνιστική θέση, την αξία του franchise και την ποιότητα της διοίκησης,
- για κρατικά ομόλογα, για τον εντοπισμό εκδοτών ομολόγων που πληρούν τα επενδυτικά του κριτήρια, τα οποία στηρίζουν την οικονομική πρόοδο και την ανθεκτικότητα των κυρίαρχων κρατών και τα οποία ο Σύμβουλος Επενδύσεων θεωρεί πιο σημαντικά για την απόδοση του χρέους τους, και
- για τις τιλοποιήσεις, προκειμένου να αναλύει τα υποκείμενα δάνεια ή τις εξασφαλίσεις κάθε τίτλου καλύπτοντας παράγοντες όπως η τοποθεσία, τα ποσοστά πληρότητας, την πιστωτική διαθεσιμότητα των δανειοληπτών και το ιστορικό των αθετήσεων.

Ο Σύμβουλος Επενδύσεων διενεργεί επίσης μια «bottom-up» (από τη βάση προς την κορυφή) διαδικασία δέουσας επιμέλειας στις επενδύσεις του Αμοιβαίου Κεφαλαίου για τον εντοπισμό τυχόν κινδύνων βιωσιμότητας που θα μπορούσαν να επηρεάσουν την αξία των περιουσιακών στοιχείων, οι οποίοι λαμβάνονται υπόψη σε μη δεσμευτική βάση.

Επιπλέον, η ομάδα κινδύνου του Συμβούλου Επενδύσεων διεξάγει ανάλυση του επενδυτικού κινδύνου βιωσιμότητας από πάνω προς τα κάτω για το Αμοιβαίο Κεφάλαιο. Οι πληροφορίες αυτές παρακολουθούνται σε συνεχή βάση και οι μηνιαίες εκθέσεις παρέχονται στην ανώτερη διοίκηση του Συμβούλου Επενδύσεων και λαμβάνονται υπόψη ως μη δεσμευτικό στοιχείο της διαδικασίας λήψης επενδυτικών αποφάσεων του Αμοιβαίου Κεφαλαίου.

Πολιτικές ενεργούς συμμετοχής

Ο Σύμβουλος Επενδύσεων μπορεί να συνεργαστεί με επιλεγμένους εκδότες ομολόγων σχετικά με τις εταιρικές και κρατικές πρακτικές διακυβέρνησής τους, καθώς και για άλλα ουσιαστά ζητήματα βιωσιμότητας που σχετίζονται με τους ΣΒΑ, συμπεριλαμβανομένων των αντιπαραθέσεων που σχετίζονται με τη βιωσιμότητα ή τις παραβιάσεις διεθνών κανόνων και αρχών. Αυτές οι δραστηριότητες ενεργούς συμμετοχής υποστηρίζουν, σε ποιοτική και μη δεσμευτική βάση, την αξιολόγηση των κύριων δυσμενών επιπτώσεων (PAI) και της χρηστής διακυβέρνησης του Αμοιβαίου Κεφαλαίου.

Καθορισμένος δείκτης αναφοράς

Το Αμοιβαίο Κεφάλαιο δεν έχει ορίσει δείκτη αναφοράς για την επίτευξη των περιβαλλοντικών ή κοινωνικών χαρακτηριστικών του.

SFDR Article 8 Website Disclosure

Product name: *Sustainable Euro Strategic Bond Fund (the “Fund”)*

A fund of Morgan Stanley Investment Funds

Legal entity identifier: 5493001NHR60KNHKPZ06

Summary

No Sustainable investment objective

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

The Fund will have a minimum proportion of 50% sustainable investments.

The “do no significant harm” methodology applied by the Investment Adviser 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 the environmental characteristic of climate change mitigation by: (a) maintaining a lower carbon intensity than the corporate portion of the Bloomberg Euro Aggregate index; (b) aiming to achieve net zero emissions at the portfolio-level for corporate investments by 2050, halving them by 2030, compared to 2020; and (c) excluding investments in certain types of fossil fuels. In addition, the Fund promotes the social characteristic of avoiding investments in activities which can cause harm to human health and wellbeing, in sovereign issuers that significantly violate social rights, and securitisations that violate responsible business or lending practices.

The Fund also seeks to invest in companies, sovereigns and securitisations that it considers to be best-in-class on ESG matters

Additionally, a proportion of the Fund’s investments will be sustainable investments in: (a) corporate issuers whose business practices, products or solutions make a net positive contribution towards United Nations’ Sustainable Development Goals (“SDGs”); (b) sovereign issuers associated with positive environmental or social attributes based on their ESG scores; or (c) Green, Social or Sustainability Bonds (“Sustainable Bonds”) that make a positive environmental or social contribution through their use of proceeds.

Investment Strategy

The Fund’s objective is to generate a return through investments primarily in Euro denominated Fixed Income securities.

The Fund meets its environmental and social characteristics through:

- d) exclusion of:
- corporate issuers which: (i) generate any revenue from controversial weapons, civilian firearms tobacco manufacturing, or thermal coal mining and extraction; (ii) derive a certain proportion of their revenue from oil sands extraction, Arctic oil and gas production, coal-fired power generation, gambling, adult entertainment, or tobacco retail and distribution; or (iii) violate key international norms on social safeguards, or have very severe ESG-related controversies;
 - sovereign issuers which are in the bottom-10% ranked countries for social violations; or
 - securitisations linked with negative behaviours including predatory lending practices and fraudulent behaviour.
- e) tilting the portfolio in favour of best-in-class ESG-scored issuers.
- f) maintaining a lower carbon intensity than the reference benchmark, targeting portfolio-level net zero emissions for corporate investments by 2050.

In addition, the Fund aims to invest a minimum of 50% of its assets in sustainable investments (as described above).

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

Proportion of Investments

| Aligned with E/S characteristics | 80% |
|---|------------|
| <i>Sustainable investments</i> | 50% |
| <i>Taxonomy aligned</i> | - |
| <i>Other environmental</i> | - |
| <i>Social</i> | - |
| <i>Other E/S characteristics</i> | 30% |
| Other investments | 20% |

The Fund expects to allocate a minimum of 50% of its assets to sustainable investments.

80% of investments are aligned with environmental or social characteristics. Most of this comprises of investments which offer direct exposure to investee entities, although a portion of such 80% may comprise of securitisations which offer indirect exposure to underlying 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 using a combination of tools / screens,

portfolio surveillance tools and manual desk reviews and analyses.

The Investment Adviser's Compliance, Risk and Portfolio Surveillance teams collaborate with the investment team to conduct regular portfolio/performance reviews and systemic checks to ensure compliance with portfolio investment objectives and environmental and social characteristics.

Methodologies

The Fund's low carbon and net zero characteristics are measured through the Weighted Average Carbon Intensity ("WACI") metric, calculated as of Scope 1 and 2 emissions, in tons of CO2 equivalent.

The Fund's positive best-in-class screening is measured through the Investment Adviser's proprietary ESG scoring methodology.

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

The sustainable investments made by the Fund are assessed as described above in relation to 'environmental or social characteristics of the financial product'. In addition, the sustainable investments are assessed against the Investment Adviser's "do no significant harm" methodology described above.

Data sources and processing

The Investment Adviser leverages ESG data from various 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 Investment teams, to access the information for research, portfolio analysis and construction, and 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 may be estimated data.

Limitations to methodologies and data

The Fund may use reasonable proxy data for PAI indicators where the Investment Adviser considers that the data is not widely or reliably available. For further details of data limitations, please see the full website disclosure. The Investment Adviser 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.

In addition, where third-party screening data in relation to the Fund's exclusions is not available for an issuer, the Investment Adviser will apply its best efforts to verify, through in-house research, that the

issuer does not violate the Fund's binding criteria.

Due diligence

The Investment Adviser relies on internal research to conduct an independent assessment of an issuer's value and credit worthiness, using third-party agency and sell side research as an input.

The Investment Adviser conducts in-depth bottom-up analysis:

- for corporate bonds, to identify bond issuers that meet its investment criteria in terms of competitive position, franchise value and management quality;
- for government bonds, to identify bond issuers that meet its investment criteria that underpin economic progress and resilience of sovereign nations, and which the Investment Adviser considers most material to the performance of their debt; and
- for securitisations, to analyse each security's underlying loans or collateral covering factors such as location, occupancy rates, borrowers' credit availability and history of defaults.

The Investment Adviser also conducts bottom-up due diligence on the Fund's investments to identify any sustainability risks that could impact the value of the assets, which are considered on a non-binding basis.

In addition, the Investment Adviser's Risk team conducts top-down sustainability investment risk analysis on the Fund. This information is monitored on an ongoing basis and monthly reports are provided to the Investment Adviser's senior management, and are taken into account as a non-binding element of the Fund's investment decision making process.

Engagement policies

The Investment Adviser may engage with selected bond issuers on their corporate and sovereign governance practices, as well as on other material sustainability issues related to the SDGs, including sustainability-related controversies or breaches of international norms and principles. Such engagement activities support, on a qualitative and non-binding basis, the Fund's PAI and good governance assessment.

Designated reference benchmark

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

Divulgación de información en el sitio web en virtud del Artículo 8 del SFDR

Nombre del producto: *Sustainable Euro Strategic Bond Fund (el "fondo")*

Fondo de Morgan Stanley Investment Funds

Identificador de personas jurídicas:
5493001NHR60KNHKPZ06

Resumen

Sin objetivo de inversión sostenible

Este producto financiero promueve características medioambientales y sociales, si bien no tiene como objetivo una inversión sostenible.

El fondo tendrá una proporción mínima del 50% de inversiones sostenibles.

La metodología "no causar un perjuicio significativo" aplicada por el asesor de inversiones tiene como fin velar por que las inversiones sostenibles del fondo no ocasionen un perjuicio significativo a ninguno de los indicadores obligatorios de principales incidencias adversas ("PIA") de la normativa que establece el SFDR de la UE relevantes para la inversión y cumplan determinadas garantías sociales mínimas.

Características medioambientales o sociales del producto financiero

El fondo promueve la característica medioambiental de mitigación del cambio climático: (a) manteniendo una intensidad de carbono inferior a la del segmento corporativo del índice Bloomberg Euro Aggregate; (b) aspirando a lograr la neutralidad en emisiones de las inversiones corporativas de la cartera para 2050, reduciéndolas a la mitad para 2030, en comparación con 2020; y (c) excluyendo las inversiones en determinados tipos de combustibles fósiles. Además, el fondo promueve la característica social de evitar inversiones en actividades que pueden ser perjudiciales para la salud y el bienestar de los seres humanos, en emisores soberanos que infringen significativamente derechos sociales y titulizaciones que infringen prácticas empresariales o de financiación responsables.

El fondo también aspira a invertir en compañías, soberanos y titulizaciones que considere que son los mejores de su clase en cuestiones ESG.

Además, una parte de las inversiones del fondo serán inversiones sostenibles en: (a) emisores corporativos cuyos productos, soluciones o prácticas empresariales contribuyen de manera netamente positiva a los Objetivos de Desarrollo Sostenible ("ODS") de las Naciones Unidas; (b) emisores soberanos que se asocian con atributos medioambientales o sociales positivos con base en sus puntuaciones ESG; o (c) bonos verdes, sociales o de sostenibilidad ("bonos sostenibles") que contribuyen de forma positiva desde el punto de vista medioambiental o social mediante el uso de su producto.

Estrategia de inversión

El objetivo del fondo es generar rentabilidad de inversiones principalmente en títulos de renta fija denominados en euros.

El fondo cumple sus características medioambientales y sociales:

- a) mediante la exclusión de:
 - emisores corporativos que: (i) obtienen ingresos de armas controvertidas, la fabricación de armas de fuego de uso civil o tabaco, o la minería y la extracción de carbón térmico; (ii) obtienen determinada proporción de sus ingresos de la extracción de arenas petrolíferas, la producción de petróleo y gas del Ártico, la generación de energía a base de carbón, el juego, el entretenimiento para adultos o la venta al por menor y la distribución de tabaco; o que (iii) infringen normas internacionales clave sobre salvaguardas sociales o protagonizan controversias ESG muy graves;
 - emisores soberanos que sean países pertenecientes al 10% inferior por infracciones sociales; o
 - titulizaciones asociadas con conductas negativas como prácticas de financiación abusiva y conducta fraudulenta.
- b) mejorando la cartera a favor de los emisores con mejor puntuación ESG de su clase;
- c) manteniendo una intensidad de carbono menor que la del índice de referencia, aspirando a lograr la neutralidad en emisiones de las inversiones corporativas de la cartera para 2050.

Además, el fondo procurará destinar al menos el 50% de sus activos a inversiones sostenibles (según se describe anteriormente).

En el marco de su proceso bottom-up de análisis fundamental, el asesor de inversiones lleva a cabo sistemáticamente una evaluación del gobierno corporativo y las prácticas empresariales del emisor.

Proporción de inversiones

| | |
|--|------------|
| Conformes con características medioambientales/sociales | 80% |
| <i>Inversiones sostenibles</i> | 50% |
| <i>Conformes con la Taxonomía</i> | - |
| <i>Otras medioambientales</i> | - |
| <i>Sociales</i> | - |
| <i>Otras características medioambientales/sociales</i> | 30% |
| Otras inversiones | 20% |

El fondo prevé destinar un mínimo del 50% de sus activos a inversiones sostenibles.

El 80% de las inversiones son conformes con características medioambientales o sociales. La mayoría son inversiones que ofrecen exposición directa a las compañías en las que se invierte, aunque una parte de ese 80% puede incluir titulizaciones que ofrecen exposición indirecta a activos subyacentes.

Estos porcentajes se cuantifican de acuerdo con el valor de las inversiones.

Seguimiento de las características medioambientales o sociales

Las características medioambientales o sociales se controlan utilizando una combinación de herramientas/controles, medios de supervisión de las carteras y revisiones y análisis manuales.

Los equipos de cumplimiento, riesgo y supervisión de carteras del asesor de inversiones colaboran con el

equipo de inversión para llevar a cabo revisiones periódicas de la cartera / el rendimiento y comprobaciones sistémicas para asegurar el cumplimiento de los objetivos de inversión de la cartera y las características medioambientales y sociales.

Métodos

Las características de bajas emisiones de carbono y neutralidad del fondo se cuantifican atendiendo a la intensidad de carbono media ponderada ("WACI"), que se calcula a partir de las emisiones de Alcances 1 y 2, en toneladas de CO2 equivalente.

El control positivo del fondo "mejor de su clase" se mide aplicando la metodología de puntuación ESG propia del asesor de inversiones.

El cumplimiento con los controles de exclusión se cuantifica según el porcentaje de las inversiones del fondo que los incumplen.

Las inversiones sostenibles que realiza el fondo se evalúan como se describe con anterioridad en relación con las "características medioambientales o sociales del producto financiero". Además, las inversiones sostenibles se evalúan atendiendo a la metodología "no causar un perjuicio significativo" del asesor de inversiones que se describe con anterioridad.

Fuentes y tratamiento de datos

El asesor de inversiones recurre a datos ESG de varios proveedores externos. Estos datos se recogen y se almacenan en el depósito centralizado de datos ESG de Morgan Stanley para permitir a la unidad de negocio de Morgan Stanley, incluidos los equipos de inversión de MSIM, acceder a la información para realizar estudios, llevar a cabo análisis y elaboración de carteras, y facilitar información a clientes y reguladores.

Debido a las carencias en la cobertura de los datos, una pequeña proporción de los datos que se utilizan para evaluar el cumplimiento de las características medioambientales/sociales puede corresponder a datos estimados.

Limitaciones de los métodos y los datos

El fondo puede utilizar datos indirectos razonables relativos a los indicadores de PIA cuando el asesor de inversiones considere que no se dispone de datos de forma generalizada o que estos no resultan fiables. Para obtener más información sobre las limitaciones de los datos, consulte la información completa del sitio web. El asesor de inversiones toma medidas razonables para velar por que el fondo pueda cumplir sus características medioambientales o sociales a pesar de estas limitaciones; esas medidas incluyen revisar y evaluar los datos indirectos para velar por que sean sustitutos adecuados para los temas ESG promovidos por el indicador de PIA correspondiente.

Además, en los casos en que no se dispone de datos de control de terceros en relación con las exclusiones del fondo correspondientes a un emisor, el asesor de inversiones desplegará todas las medidas que queden a su alcance para verificar, mediante un análisis interno, que el emisor no infringe los criterios vinculantes del fondo.

Diligencia debida

El asesor de inversiones se basa en análisis internos para llevar a cabo una evaluación independiente del valor y la solvencia del emisor, recurriendo a análisis de agencias terceras y análisis de ventas.

El asesor de inversiones lleva a cabo análisis bottom-up exhaustivos:

- en el caso de los bonos corporativos, para identificar emisores de bonos que cumplen sus criterios de inversión en cuanto a posición competitiva, valor de negocio y calidad de la gestión;
- en el caso de la deuda pública, para identificar emisores de bonos que cumplen sus criterios de inversión que sustentan el progreso económico y la resiliencia de las naciones soberanas, y que el asesor de inversiones considera más sustanciales para el rendimiento de su deuda; y
- en el caso de las titulizaciones, para analizar los préstamos subyacentes de cada país o sus garantías, abarcando factores como la ubicación, las tasas de ocupación, la disponibilidad de crédito de los prestatarios y el historial de impagos.

El asesor de inversiones también aplica un proceso bottom-up de diligencia debida a las inversiones del fondo para identificar posibles riesgos de sostenibilidad que pudieran afectar al valor de los activos, que el asesor de inversiones tiene en cuenta de manera no vinculante.

Además, el equipo de riesgo del asesor de inversiones lleva a cabo un análisis top-down del riesgo de inversión en clave de sostenibilidad del fondo. Esta información se controla de manera continua y se proporcionan informes mensuales a la alta dirección del asesor de inversión, que se tienen en cuenta como elemento no vinculante del proceso de toma de decisiones de inversión del fondo.

Políticas de implicación

El asesor de inversiones puede implicarse con emisores de bonos seleccionados acerca de sus prácticas de gobierno corporativo y soberano, así como sobre otros temas de sostenibilidad sustancial relativos a los ODS, como controversias relativas a sostenibilidad o incumplimientos de normas y principios internacionales. Estas actividades de implicación contribuyen, de manera cualitativa y no vinculante, a una evaluación adecuada de las PIA y el gobierno del fondo.

Índice de referencia designado

El fondo no ha designado un índice de referencia para cumplir sus características medioambientales o sociales.

SFDR-asetuksen 8 artiklan perusteella verkkosivustolla annettavat tuotetiedot

Tuotteen nimi: Sustainable Euro Strategic Bond Fund ("Rahasto")

Morgan Stanley Investment Fundsin rahasto

Tunnus: 5493001NHR60KNHKPZ06

Tiivistelmä

Ei kestävää sijoitustavoitetta

Tämä rahoitustuote edistää ympäristö- ja yhteiskuntanäkökohtia, mutta kestävään kehitykseen investointi ei ole sen ensisijainen tavoite.

Rahasto sijoittaa vähintään 50 % varoistaan vastuullisiin sijoituksiin.

Rahastonhoitaja pyrkii "Ei merkittävää haittaa" -periaatetta noudattamalla varmistamaan, etteivät rahaston vastuulliset sijoitukset aiheuta merkittävää haittaa millekään niiden kannalta relevantille EU:n SFDR-sääntöjen mukaiselle pakolliselle pääasiallisten haitallisten vaikutusten indikaattorille (PAI) ja että ne noudattavat määrättyjä sosiaalisia vähimmäissuojatoimia.

Ympäristöön tai yhteiskuntaan liittyvät rahoitustuotteen ominaisuudet

Rahasto edistää ilmastonmuutoksen hillitsemisen ympäristönäkökohtaa: (a) ylläpitämällä alhaisempaa hiili-intensiteettiä kuin Bloomberg Euro Aggregate -indeksin yritysosio; (b) pyrkimällä pääsemään portfoliotasolla yritysinvestointien osalta nettonollapäästöihin vuoteen 2050 mennessä ja puolittamaan ne vuoteen 2030 mennessä verrattuna vuoden 2020 tasoon; sekä (c) sulkemalla pois investoinnit tiettyihin fossiilisiin polttoaineisiin. Lisäksi rahasto välttää investoimasta aktiviteetteihin, joista voi aiheutua haittaa ihmisten terveydelle ja hyvinvoinnille, tai sellaisten valtioiden velkakirjoihin, jotka merkittävästi rikkovat yhteiskunnallisia oikeuksia vastaan sekä arvopapereihin, jotka rikkovat vastuullisia liiketoiminta- tai lainanantokäytäntöjä vastaan.

Rahasto pyrkii myös investoimaan yrityksiin, valtion velkakirjoihin ja arvopapereihin, jotka se katsoo luokkansa parhaiksi ESG-katsannossa

Lisäksi rahasto sijoittaa osan varoistaan vastuullisiin sijoituksiin: (a) sellaisissa yritysliikkeeseenlaskijoissa, joiden liiketavoilla, tuotteilla tai ratkaisuilla on positiivinen nettokontribuutio YK:n kestävä kehityksen tavoitteisiin (Sustainable Development Goals, "SDG"); (b) valtion velkakirjoihin, joiden liikkeeseenlaskijoilla on ESG-pisteiden perusteella positiivisia ympäristö- tai yhteiskuntavaikutuksia; tai (c) vihreisiin, sosiaalisiin tai kestävä kehityksen mukaisiin joukkovelkakirjoihin ("Sustainable-joukkovelkakirjat") joilla on positiivinen ympäristö- tai yhteiskuntavaikutus niiden tuottojen käytön kautta.

Sijoitusstrategia

Rahaston tavoite on tuottaa voittoa investoimalla ensisijaisesti euromääräisiin kiinteätuottoisiin arvopapereihin.

Rahasto saavuttaa ympäristö- ja yhteiskuntatavoitteensa:

- a) sulkemalla pois:
- yritysliikkeeseenlaskijat, jotka: (i) ansaitsevat tuloja kiistanalaisilla aseilla, siviiliseilla,

tupakanvalmistuksella tai lämmityshiilen kaivostoiminnalla, (ii) saavat tietyn osan liikevaihdoistaan öljyriekan, arktisen öljyn ja kaasun tuotannosta tai hiilivoimaloista, vedonlyönnistä, aikuisviitteestä tai tupakan myynnistä ja jakelusta tai (iii) rikkovat keskeisiä kansainvälisiä yhteiskunnallisen valvonnan normeja tai jotka ovat osallisina hyvin vakaviin ESG-kiistoihin

- valtion velkakirjojen liikkeeseenlaskijat, jotka kuuluvat heikoimpaan 10 %:iin maista sosiaalisten rikkomusten tilastoinnissa tai
 - arvopaperit, joihin liittyy kielteisiä toimintamalleja, kuten saalistava luotonanto tai petollinen toiminta.
- b) suosimalla salkussa ESG-pisteiltään luokkansa parhaita liikkeeseenlaskijoita.
- c) ylläpitämällä alhaisempaa hiili-intensiteettiä kuin vertailuindeksi, kohdentamalla salkkutason yritysinvestoinnit siten, että ne kokonaisuudessaan yltyvät nettonollapäästöihin vuoteen 2050 mennessä.

Rahasto aikoo lisäksi sijoittaa vähintään 50 % varoistaan (edellä kuvatusti) kestävä kehityksen mukaisiin sijoituksiin.

Osana alatasolta lähtevää fundamenttien tutkimusprosessiaan rahastonhoitaja arvioi järjestelmällisesti liikkeeseenlaskijan hallinnointi- ja ohjausjärjestelmän ja liiketoimintakäytännöt.

Sijoitusten osuus

| Ympäristö- tai yhteiskuntateemojen mukaiset | 80% |
|--|------------|
| <i>Vastuulliset sijoitukset</i> | 50% |
| <i>Luokitusjärjestelmän mukaiset</i> | - |
| <i>Muut ympäristöön liittyvät</i> | - |
| <i>Yhteiskunnalliset</i> | - |
| <i>Muut ympäristö- tai yhteiskuntateemat</i> | 30% |
| Muut sijoitukset | 20% |

Rahasto aikoo sijoittaa vähintään 50 prosenttia varoistaan kestävä kehityksen mukaisiin sijoituksiin.

80 prosenttia sijoituksista on ympäristö- tai yhteiskuntateemojen mukaisia. Suurin osa on sijoituksia, jotka tarjoavat suoran position kohdeyhtiöihin, vaikka osa tästä 80 %:sta voi olla arvopapereita, jotka tarjoavat epäsuoran position sijoituskohteisiin.

Nämä prosenttiosuudet mitataan sijoitusten arvon mukaan.

Ympäristöön tai yhteiskuntaan liittyvien ominaisuuksien seuranta

Ympäristö- ja yhteiskuntateemoja seurataan yhdistelmällä työkaluja ja näyttöjä, salkunseurantatyökaluja ja manuaalista tarkastusta ja analyyssejä.

Rahastonhoitajan compliance-, riski- ja salkunvalvontatiimit suorittavat sijoitustiimin kanssa säännöllisiä salkku- ja tulostarkastuksia ja järjestelmäkontrolleja varmistakseen, että salkun sijoitustavoitteita ja ympäristö- ja yhteiskuntateemoja noudatetaan.

Menetelmät

Rahaston vähähiilisyys- ja nettonollateemoja mitataan mittarilla painotettu keskihiili-intensiteetti ("WACI"), joka

lasketaan Scope 1- ja Scope 2 -päästöistä CO₂-ekvivalenttitonneina.

Rahaston positiivisten sijoituskohteiden valintaa mitataan rahastonhoitajan omalla ESG-pisteitysmenettelyllä.

Poissulkemisrajojen noudattamista mitataan sen perusteella, mikä osuus rahaston sijoituksista rikkoo sen poissulkemisrajoja.

Rahaston kestävä kehityksen mukaiset sijoitukset arvioidaan edellä kuvatuksi rahoitustuotteen ympäristö- ja yhteiskuntateemat huomioiden. Lisäksi kestävä kehityksen mukaisia sijoituksia arvioidaan rahastonhoitajan edellä mainittua ”älä aiheuta merkittävää haittaa” -menetelmää noudattaen.

Tietolähteet ja tietojen käsittely

Rahastonhoitaja hyödyntää ulkopuolisilta toimittajilta saatuja ESG-tietoja. Nämä tiedot kerätään ja säilytetään Morgan Stanleyn keskitetyssä ESG-tietovarastossa, jotta Morgan Stanleyn liiketoimintayksiköillä ja MSIM-sijoitustiimeillä on pääsy tietoihin tutkimusta, salkkuanalyseja ja salkun rakentamista sekä asiakasraportointia ja sääntelyn edellyttämää raportointia varten.

Tietojen kattavuudessa olevien puutteiden takia pieni osa tiedoista, joita käytetään ympäristö- ja yhteiskuntateemojen mukaisuuden arviointiin, on arvioita.

Menetelmiä ja tietoja koskevat rajoitukset

Rahasto voi PAI-indikaattorien osalta hyödyntää kohtuudella korvikedataa, jos rahastonhoitaja katsoo, ettei kattavaa tai luotettavaa tietoa ole saatavilla. Tietojen rajallisuutta koskevaa lisätietoa on luettavissa verkkosivustolla annetuista tuotetiedoista. Rahastonhoitaja ryhtyy kohtuullisiin toimiin sen varmistamiseksi, että rahasto pystyy saavuttamaan ympäristö- ja yhteiskuntateemat näistä rajoituksista huolimatta, esimerkiksi arvioimalla korvikedataa sen varmistamiseksi, että se edustaa kunkin PAI-indikaattorin edistämää ESG-teemaa asianmukaisesti.

Jos rahaston poissulkemisiin liittyviä kolmannen osapuolen seulontatietoja ei ole saatavilla jonkin liikkeeseenlaskijan osalta, rahastonhoitaja pyrkii parhaansa mukaan hyödyntämään talon sisäistä tutkimusta tarkistaakseen, ettei liikkeeseenlaskija riko rahaston sitovia kriteerejä.

Asianmukainen huolellisuus

Rahastonhoitaja tukeutuu sisäiseen tutkimukseen muodostaakseen riippumattoman arvion liikkeeseenlaskijan arvosta ja luottokelpoisuudesta käyttäen apunaan kolmannen osapuolen virastojen ja myyntipuolen tutkimuksia.

Rahastonhoitaja suorittaa huolellisen bottom-up-analyysin:

- löytääkseen joukkovelkakirjojen liikkeeseenlaskijoita, jotka täyttävät sen sijoituskriteerit kilpailuaseman, franchise-arvon ja johdon laadun osalta
- löytääkseen valtion joukkovelkakirjalainojen liikkeeseenlaskijoita, jotka täyttävät rahaston itsenäisten valtioiden taloudellista edistystä ja resilienssiä koskevat sijoituskriteerit, joita

rahastonhoitaja pitää olennaisimpina niiden velan tuoton kannalta

- arvopaperistamisen osalta analysoidakseen kunkin arvopaperin kohde-etuutena olevat lainat ja vakuudet esimerkiksi sijainnin, käyttöasteen, lainanottajien luottokelpoisuuden ja maksuhäiriöhistorian osalta.

Rahastonhoitaja tekee rahaston sijoituksille myös due diligence -tarkastuksia bottom-up-periaatteella yksilöidäkseen kestävyysriskit, jotka voivat vaikuttaa varojen arvoon; ne huomioidaan ei-sitovasti.

Lisäksi rahastonhoitaja suorittaa rahaston sijoituksille top-down-vastuullisuusriskianalysejä. Näitä tietoja seurataan jatkuvasti, ja kuukausiraportit toimitetaan rahastonhoitajan ylimmälle johdolle, ja ne otetaan huomioon ei-sitovana tekijänä rahaston investointien päätöksentekoprosessissa.

Vaikuttamispolitiikat

Rahastonhoitaja voi keskustella valittujen yritys- ja valtionjoukkovelkakirjojen liikkeeseenlaskijoiden kanssa niiden hallintokäytännöistä sekä muista olennaisista kestävä kehityksen tavoitteisiin liittyvistä vastuullisuuskysymyksistä, kuten kestävyteen liittyvistä kiistanaiheista ja kansainvälisten normien ja periaatteiden rikkomuksista. Tällaiset vaikutustoimet tukevat laadulliselta ja ei-sitovalta pohjalta rahaston PAI:n ja hyvän hallintotavan arviointia.

Nimetty vertailuarvo

Rahastolle ei ole nimetty vertailuindeksiä sen ympäristö- ja yhteiskuntateemojen saavuttamiselle.

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

Nom du produit : *Sustainable Euro Strategic Bond Fund* (le « **Fonds** »)

Un fonds de Morgan Stanley Investment Funds

Identifiant de l'entité juridique :
5493001NHR60KNHKPZ06

Résumé

Sans objectif d'investissement durable

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

Le Fonds comportera un minimum de 50 % d'investissements durables.

La méthodologie « ne pas nuire de manière significative » appliquée par le conseiller en investissement vise à garantir que les investissements durables du Fonds ne nuisent pas de manière significative à l'un des principaux indicateurs d'incidence négative (« **PAI** ») des règles SFDR de l'UE qui sont pertinents pour l'investissement et respectent certaines garanties sociales minimales.

Caractéristiques environnementales ou sociales du produit financier

Le Fonds promeut la caractéristique environnementale de la réduction du changement climatique en : (a) conservant une intensité carbone inférieure à celle des entreprises de l'indice Bloomberg Euro Aggregate ; (b) visant à atteindre la neutralité carbone du portefeuille pour les investissements des entreprises d'ici 2050, en réduisant les émissions de moitié d'ici 2030, par rapport à 2020 ; et (c) en excluant les investissements dans certains types de combustibles fossiles. En outre, le Fonds promeut la caractéristique sociale consistant à éviter les investissements dans des activités qui peuvent nuire à la santé et au bien-être humains, dans des émetteurs souverains qui violent de façon significative les droits sociaux et dans des titrisations qui violent les pratiques commerciales ou de prêt responsables.

Le fonds cherche également à investir dans des sociétés, des États souverains et des titrisations qu'il considère comme étant les plus performantes en matière d'ESG

De plus, une partie des investissements du Fonds sera constituée d'investissements durables dans : (a) des entreprises dont les pratiques commerciales, les produits ou les solutions apportent une contribution positive nette aux Objectifs de développement durable des Nations unies (« **SDG** ») ; (b) des émetteurs souverains associés à des attributs environnementaux ou sociaux positifs en fonction de leurs scores ESG ; ou (c) des obligations vertes, sociales ou de développement durable (« **Obligations durables** ») apportant une contribution environnementale ou sociale positive à travers leur utilisation de produits.

Stratégie d'investissement

L'objectif du Fonds consiste à générer un rendement à travers des investissements principalement dans des titres obligataires libellés en euros.

Le Fonds respecte ses caractéristiques environnementales et sociales au moyen de :

- a) l'exclusion des :
 - émetteurs d'entreprise qui : (i) génèrent des revenus provenant de la vente d'armes controversées, de la fabrication de tabac, des armes à feu civiles ou de l'extraction de charbon thermique ; (ii) tirent une certaine proportion de leurs revenus de l'extraction de sables bitumineux, de la production de pétrole et de gaz dans l'Arctique, de la production d'électricité à partir de charbon, des jeux d'argent, des divertissements pour adultes ou de la vente au détail et de la distribution de tabac ; ou (iii) violent les principales normes internationales en matière de garanties sociales ou font l'objet de très graves polémiques en matière d'ESG ;
 - des émetteurs souverains qui se situent dans les pays classés dans les 10 % inférieurs en termes de violations sociales ; ou
 - des titrisations associées à des comportements négatifs dont les pratiques de prêt abusives et les comportements frauduleux.
- b) l'orientation du portefeuille en faveur des émetteurs les mieux notés sur le plan ESG.
- c) la conservation d'une intensité carbone inférieure à celle de l'indice de référence, en visant la neutralité carbone au niveau du portefeuille pour les investissements des entreprises d'ici 2050.

En outre, le Fonds vise à investir un minimum de 50 % de ses actifs en investissements durables (tels que décrit ci-dessus).

Dans le cadre de son processus de recherche fondamentale « bottom-up (ascendante) », le Conseiller en investissement 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> | 50% |
| <i>alignés sur la taxonomie</i> | - |
| <i>Autres caractéristiques environnementales</i> | - |
| <i>Sociales</i> | - |
| <i>Autres caractéristiques E/S</i> | 30% |
| Autres investissements | 20% |

Le Fonds prévoit d'allouer un minimum de 50 % de ses actifs aux investissements durables.

80 % des investissements sont alignés sur des caractéristiques environnementales ou sociales. Il s'agit principalement d'investissements qui offrent une exposition directe aux entités émettrices, même si une portion de ces 80 % peut inclure des titrisations qui offrent une exposition indirecte aux actifs 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 contrôlées à l'aide d'une combinaison d'outils et de filtres, d'outils de surveillance du portefeuille et d'examen et analyses documentaires manuels.

Les équipes de conformité, de risque et de surveillance du portefeuille du Conseiller en investissement 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

Les caractéristiques de faible émission carbone et de neutralité carbone du Fonds sont mesurées au moyen de la mesure d'intensité moyenne pondérée en carbone (« **WACI** »), calculée à partir des émissions des champs d'application 1 et 2, en tonnes d'équivalent CO₂.

La sélection positive du fonds parmi les meilleurs de sa catégorie est mesurée par la méthodologie de notation ESG exclusive du Conseiller en investissement.

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

Les investissements durables effectués par le Fonds sont évalués tel que susmentionné en lien avec les caractéristiques environnementales ou sociales du produit financier. En outre, les investissements durables sont évalués par rapport à la méthodologie « ne pas nuire de manière significative » du Conseiller en investissement décrite ci-dessus.

Sources et traitement des données

Le Conseiller en investissement du Fonds utilise des données ESG provenant de divers 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 les équipes d'investissement MSIM, d'accéder aux informations à des fins de recherche, d'analyse et de constitution de portefeuilles, ainsi que pour les rapports destinés aux clients et aux autorités réglementaires.

En raison de lacunes dans la couverture des données, une faible proportion des données utilisées pour évaluer la conformité aux caractéristiques E/S peuvent être des données estimées.

Limites aux méthodes et aux données

Le Fonds peut utiliser des données de substitution raisonnables pour les indicateurs PAI lorsque le Conseiller en investissement considère que les données ne sont pas disponibles de manière large ou fiable. Pour plus d'informations sur les limitations des données, veuillez consulter la déclaration complète du site Web. Le Conseiller en investissement prend des mesures raisonnables pour s'assurer que le Fonds est en mesure de respecter ses caractéristiques environnementales et sociales malgré ces limites, notamment en examinant et en évaluant les mandataires pour s'assurer qu'ils sont des substituts appropriés aux thèmes ESG préconisés par l'indicateur PAI pertinent.

En outre, lorsque les données de filtrage tierces en lien avec les exclusions du Fonds ne sont pas disponibles pour un émetteur, le Conseiller en investissement utilisera tous les moyens pour vérifier, via une recherche interne, que l'émetteur ne viole pas les critères contraignants du Fonds.

Diligence raisonnable

Le Conseiller en investissement s'appuie sur la recherche interne pour conduire une évaluation indépendante de la valeur et de la solvabilité des émetteurs, à l'aide d'une agence tierce et des analyses sell-side.

Le Conseiller en investissement mène une analyse « bottom-up (ascendante) » approfondie :

- pour les obligations corporate, pour sélectionner des émetteurs obligataires qui répondent aux critères d'investissement fixés en matière de positionnement concurrentiel, de valeur de l'entreprise et de qualité de l'équipe de direction ;
- pour les obligations gouvernementales, pour sélectionner des émetteurs obligataires qui répondent aux critères d'investissement qui soutiennent une progression économique et la résilience de nations souveraines, et que le Conseiller en investissement considère comme les plus importants pour la performance de leur dette ; et
- pour les titrisations, pour analyser les prêts sous-jacents ou facteurs de couverture collatérale de chaque titre tels que le lieu, les taux d'occupation, la disponibilité de crédit des emprunteurs et l'historique des défaillances.

Le Conseiller en investissement mène également des vérifications « ascendantes » sur les investissements du Fonds pour identifier tout risque de durabilité qui pourrait impacter la valeur des actifs, qui sont considérés sur une base non contraignante.

En outre, l'équipe de risque du Conseiller en investissement mène une analyse des risques d'investissement de durabilité descendante sur le Fonds. Ces informations sont constamment surveillées et des rapports mensuels sont fournis aux membres de la direction du Conseiller en investissement, et sont prises en compte en tant qu'élément non contraignant du processus de prise de décision d'investissement du Fonds.

Politiques d'engagement

Le Conseiller en investissement peut nouer un dialogue avec des émetteurs d'obligations sélectionnées sur leur pratiques de gouvernance d'entreprise et souveraines, ainsi que sur d'autres questions significatives de développement durable liées aux SDG, y compris les controverses liées au développement durable ou les violations des normes et principes internationaux. Lesdites activités de dialogue appuient, sur une base qualitative et non contraignante, les PAI et la bonne évaluation de la gouvernance du Fonds.

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

Nome del prodotto: *Sustainable Euro Strategic Bond Fund (il "Comparto")*

Un comparto di Morgan Stanley Investment Funds Identificativo della persona giuridica:
5493001NHR60KNHKPZ06

Sintesi

Nessun obiettivo d'investimento sostenibile

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

Il Comparto avrà una percentuale minima del 50% di investimenti sostenibili.

La metodologia "non arrecare un danno significativo" (DNSH, do no significant harm) applicata dal Consulente d'investimento 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 rispettino anche alcune garanzie sociali minime.

Caratteristiche ambientali o sociali del prodotto finanziario

Il Comparto promuove la caratteristica ambientale della lotta ai cambiamenti climatici come segue: (a) mantenendo un'intensità di carbonio inferiore rispetto alla componente societaria dell'indice Bloomberg Euro Aggregate; (b) puntando a raggiungere la neutralità carbonica a livello di portafoglio per gli investimenti aziendali entro il 2050, dimezzandola entro il 2030 rispetto al 2020; e (c) escludendo gli investimenti in alcuni tipi di combustibili fossili. Il Comparto promuove inoltre la caratteristica sociale rappresentata dalla scelta di evitare di investire in attività suscettibili di arrecare danni alla salute e al benessere dell'uomo, in emittenti sovrani che violano gravemente i diritti sociali e in prodotti cartolarizzati che violano prassi aziendali o di finanziamento responsabili.

Il Comparto punta inoltre a investire in titoli societari, titoli sovrani e cartolarizzazioni che a suo giudizio sono i migliori in materia di temi ESG.

Inoltre, il Comparto avrà una percentuale di investimenti sostenibili in: (a) emittenti societari con prassi aziendali, prodotti o soluzioni che apportano un contributo positivo netto agli Obiettivi di Sviluppo Sostenibile delle Nazioni Unite ("SDG"); (b) emittenti sovrani che, sulla base dei punteggi ESG, sono associati a caratteristiche ambientali o sociali positive; (c) investimenti obbligazionari classificati come verdi/sociali/sostenibili ("Obbligazioni sostenibili") che utilizzano i proventi per dare un contributo positivo all'ambiente o alla società.

Strategia d'investimento

L'obiettivo del Comparto è quello di generare un rendimento attraverso investimenti in titoli obbligazionari denominati principalmente in euro.

Il Comparto soddisfa le caratteristiche ambientali o sociali mediante:

- a) esclusione di:

- emittenti societari che: (i) generano ricavi dalla fabbricazione di armi controverse o armi da fuoco civili, dalla fabbricazione di prodotti a base di tabacco o dallo sfruttamento ed estrazione di carbone termico; (ii) generano una parte dei ricavi dallo sfruttamento di sabbie bituminose, dalla produzione di petrolio o gas nella regione artica, dalla produzione di elettricità da centrali a carbone, dal gioco d'azzardo, dall'intrattenimento per adulti o dalla vendita e distribuzione al dettaglio di prodotti a base di tabacco; o (iii) violano importanti norme internazionali sulle tutele sociali o sono coinvolte in serie controversie legate ai temi ESG;
- emittenti sovrani che si trovano nel 10% inferiore della classifica dei Paesi in cui si verificano violazioni sociali; o
- cartolarizzazioni collegate a condotte negative, tra cui pratiche di prestito predatorie e comportamenti fraudolenti.
- b) un posizionamento di portafoglio che favorisce gli emittenti con i migliori punteggi ESG.
- c) un'intensità di carbonio inferiore a quella del benchmark, puntando a raggiungere entro il 2050 la neutralità carbonica del portafoglio per gli investimenti societari.

Inoltre, il Comparto mira a investire almeno il 50% del proprio patrimonio in investimenti sostenibili (come descritto sopra).

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

Quota degli investimenti

| | |
|---|------------|
| Allineati alle caratteristiche E/S | 80% |
| <i>Investimenti sostenibili</i> | 50% |
| <i>Allineati alla tassonomia</i> | - |
| <i>Altre caratteristiche ambientali</i> | - |
| <i>Sociali</i> | - |
| <i>Altre caratteristiche E/S</i> | 30% |
| Altri investimenti | 20% |

Il Comparto prevede di allocare almeno il 50% del proprio patrimonio negli investimenti sostenibili.

L'80% degli investimenti è allineato a caratteristiche ambientali o sociali. La maggior parte di questi investimenti è costituita da investimenti che offrono un'esposizione diretta alle società partecipate, anche se una parte di quell'80% può essere costituita da cartolarizzazioni che offrono un'esposizione indiretta agli attivi sottostanti.

Queste percentuali sono misurate in base al valore degli investimenti.

Monitoraggio delle caratteristiche ambientali o sociali

Le caratteristiche ambientali e sociali vengono monitorate utilizzando una combinazione di screening/strumenti, strumenti di monitoraggio del portafoglio e analisi/revisioni della sala operativa.

I team responsabili della conformità, del rischio e del monitoraggio del portafoglio del Consulente d'investimento 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

Le caratteristiche di basse emissioni e neutralità carbonica del Comparto sono misurate mediante il parametro "WACI" (Weighted Average Carbon Intensity, Intensità media ponderata di carbonio), calcolato in base alle emissioni di ambito 1 e 2, in tonnellate di CO2 equivalenti.

Lo screening positivo best-in-class del Comparto viene misurato utilizzando la metodologia proprietaria di punteggio ESG del Consulente d'investimento.

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

Gli investimenti sostenibili effettuati dal Comparto vengono valutati secondo le modalità sopra descritte in relazione alle "caratteristiche ambientali o sociali del prodotto finanziario". Inoltre, gli investimenti sostenibili vengono valutati in base alla metodologia "nessun danno significativo" (DNSH, Do No Significant Harm), descritta in precedenza, del Consulente d'investimento.

Fonti e trattamento dei dati

Il Consulente d'investimento si avvale di dati ESG provenienti da diversi fornitori esterni. Questi dati vengono raccolti e conservati nell'archivio dei dati ESG centralizzato di Morgan Stanley per consentire a qualunque divisione di quest'ultima, ivi compresi i team d'investimento MSIM, di accedere alle informazioni per effettuare ricerche e analisi e occuparsi della costruzione del portafoglio, nonché per fornire a clienti e autorità di regolamentazione le informative richieste.

Per via di alcune lacune nella copertura dei dati, una piccola parte dei dati utilizzati per valutare l'allineamento a caratteristiche E/S potrebbe essere costituita da dati stimati.

Limiti delle metodologie e dei dati

Il Comparto può utilizzare dati surrogati ragionevoli per gli indicatori PAI laddove il Consulente d'investimento ritenga che i dati non siano generalmente disponibili o non siano attendibili. Per maggiori dettagli sui limiti dei dati, si rimanda all'informativa completa presente sul sito web. Il Consulente d'investimento adotta misure ragionevoli per garantire che il Comparto risponda alle proprie caratteristiche ambientali o sociali nonostante tali limitazioni, conducendo, tra le altre cose, una revisione e una valutazione dei dati surrogati per assicurarsi che siano sostituiti adeguati per i temi ESG promossi dall'indicatore PAI applicabile.

Inoltre, ove per un emittente non fossero disponibili dati di screening forniti da terzi in relazione alle esclusioni del Comparto, il Consulente d'investimento farà del suo meglio per verificare, tramite ricerche interne, che l'emittente non violi i criteri vincolanti del Comparto.

Dovuta diligenza

Per condurre una valutazione indipendente del valore e del merito di credito di un emittente, il Consulente

d'investimento si basa su un'attività di ricerca interna utilizzando i dati di ricerche sell-side e di agenzie terze.

Il Consulente d'investimento conduce un'approfondita analisi bottom-up:

- sulle obbligazioni societarie, al fine di individuare gli emittenti obbligazionari che soddisfano i suoi criteri d'investimento in termini di posizionamento competitivo, solidità del marchio e qualità del management;
- sui titoli di Stato, al fine di individuare gli emittenti obbligazionari che soddisfano i suoi criteri di investimento in termini di sostegno al progresso economico e alla resilienza dei paesi sovrani e in termini di rilevanza per la performance del debito di tali paesi;
- sulle cartolarizzazioni, al fine di studiare i prestiti o le garanzie sottostanti a ciascun titolo, tenendo conto di fattori quali l'ubicazione, i tassi di locazione, la disponibilità di credito dei mutuatari e l'andamento storico delle inadempienze.

Il Consulente d'investimento conduce anche una due diligence bottom-up sugli investimenti del Comparto per individuare eventuali rischi di sostenibilità suscettibili di incidere sul valore degli attivi, tenendone conto su base non vincolante.

Inoltre, il team di gestione del rischio del Consulente d'investimento esegue un'analisi top-down del rischio d'investimento sulla sostenibilità del Comparto. Queste informazioni vengono monitorate su base continuativa e le relazioni mensili vengono trasmesse al management senior del Consulente d'investimento e prese in considerazione come elemento non vincolante del processo decisionale d'investimento del Comparto.

Politiche di impegno

Il Consulente d'investimento può condurre attività di engagement con emittenti obbligazionari selezionati sia in merito alle prassi di governance societaria e sovrana che in merito ad altri aspetti rilevanti sul piano della sostenibilità e relativi agli SDG, ad esempio controversie riguardanti la sostenibilità o violazioni di norme e principi internazionali. Tali attività di engagement contribuiscono, su base qualitativa e non vincolante, alla valutazione dei PAI e della buona governance del Comparto.

Indice di riferimento designato

Per realizzare le proprie caratteristiche ambientali o sociali, il Comparto non ha designato alcun benchmark.

SFDR Artikel 8 Openbaarmaking van de website

Productnaam: *Sustainable Euro Strategic Bond Fund* (het "fonds")

Een fonds van Morgan Stanley Investment Funds

Rechtspersoonlijkheid: 5493001NHR60KNHKPZ06

Samenvatting

Geen duurzame beleggingsdoelstelling

Dit financiële product bevordert milieu- en sociale kenmerken, maar heeft niet tot doel duurzaam te beleggen.

Het fonds zal voor minimaal 50% duurzaam beleggen.

De door de beleggingsadviseur toegepaste "do no significant harm"-methodologie moet ervoor zorgen dat de duurzame beleggingen van het fonds geen significante schade veroorzaken aan een van de verplichte hoofd ("PAI") indicatoren voor negatieve effecten in de SFDR-regels van de EU die relevant zijn voor de belegging en voldoen aan bepaalde minimale sociale waarborgen.

Ecologische of sociale kenmerken van het financiële product

Het fonds bevordert het milieukemerk van de beperking van de klimaatverandering door: (a) een lagere koolstofintensiteit aan te houden dan het bedrijfs gedeelte van de Bloomberg Euro Aggregate index; (b) te streven naar netto nul emissies op portefeuilleniveau voor bedrijfsbeleggingen tegen 2050, en deze tegen 2030 te halveren ten opzichte van 2020; en (c) beleggingen in bepaalde soorten fossiele brandstoffen uit te sluiten. Daarnaast bevordert het fonds het sociale kenmerk van het vermijden van beleggingen in activiteiten die schade kunnen toebrengen aan de gezondheid en het welzijn van mensen, in soevereine emittenten die de sociale rechten aanzienlijk schenden, en securitisaties die verantwoordelijke zakelijke of kredietpraktijken schenden.

Het fonds streeft er ook naar te beleggen in bedrijven, overheden en securitisaties die op ESG-gebied als "best-in-class" worden beschouwd

Daarnaast zal een deel van de beleggingen van het fonds bestaan uit duurzame beleggingen in: (a) bedrijfsemittenten wier bedrijfspraktijken, producten of oplossingen een netto positieve bijdrage leveren aan de Sustainable Development Goals ("SDG's"); (b) soevereine emittenten met positieve milieu- of sociale eigenschappen op basis van hun ESG-scores; of (c) groene, sociale of duurzaamheidsobligaties ("Sustainable Bonds") die een positieve ecologische of sociale bijdrage leveren via de opbrengsten.

Beleggingsstrategie

Het doel van het fonds is rendement te genereren door hoofdzakelijk te beleggen in vastrentende effecten in euro.

Het fonds voldoet aan zijn milieu- en sociale kenmerken door:

- a) uitsluiting van
 - bedrijfsemittenten die: (i) inkomsten genereren uit controversiële wapens, de productie van civiele vuurwapens, de productie van tabak of de winning van thermische kolen; (ii) een bepaald deel van hun inkomsten halen uit de winning van oliezand, de productie van olie en gas uit het

Noordpoolgebied, kolengestookte elektriciteitsopwekking, gokken, amusement voor volwassenen of de detailhandel in en distributie van tabak; of (iii) belangrijke internationale normen inzake sociale waarborgen schenden, of zeer ernstige ESG-gerelateerde controverses hebben;

- soevereine emittenten die zich in de onderste-10% van de ranglijst van landen bevinden voor sociale schendingen; of
 - securitisaties die verband houden met negatief gedrag, waaronder roofof kredietpraktijken en frauduleus gedrag.
- b) waarbij de portefeuille wordt overgeheveld naar emittenten met de beste ESG-score.
 - c) een lagere koolstofintensiteit aanhouden dan de referentiebenchmark, met als doel dat bedrijfsinvesteringen in 2050 een netto nuluitstoot hebben

Daarnaast streeft het fonds ernaar minimaal 50% van zijn activa te beleggen in duurzame beleggingen (zoals hierboven beschreven).

Als onderdeel van zijn bottom-up, fundamenteel onderzoeksproces neemt de beleggingsadviseur systematisch de beoordeling van het ondernemingsbestuur en de bedrijfspraktijken van een emittent op.

Aandeel beleggingen

| Op één lijn met de E/S-eigenschappen | 80% |
|--------------------------------------|------------|
| Duurzame beleggingen | 50% |
| Taxonomie afgestemd | - |
| Overige milieu | - |
| Sociale | - |
| Overige E/S-eigenschappen | 30% |
| Overige beleggingen | 20% |

Het fonds verwacht minimaal 50% van zijn vermogen toe te wijzen aan duurzame beleggingen.

80% van de beleggingen liggen op één lijn met milieu- of sociale kenmerken. Het grootste deel hiervan bestaat uit beleggingen die directe blootstelling bieden aan entiteiten waarin wordt geïnvesteerd, hoewel een deel van deze 80% kan bestaan uit securitisaties die indirecte blootstelling aan onderliggende activa bieden.

Deze percentages worden gemeten volgens de waarde van de beleggingen.

Monitoring ecologische of sociale kenmerken

De milieu- en sociale kenmerken worden gecontroleerd met een combinatie van instrumenten/schermen, instrumenten voor portefeuillebewaking en handmatige documentaire beoordelingen en analyses.

De teams Compliance, Risk en Portfolio Surveillance van de beleggingsadviseur werken samen met het beleggingsteam om regelmatig portefeuille-/prestatiebeoordelingen en systemische controles uit te voeren om ervoor te zorgen dat de beleggingsdoelstellingen van de portefeuille en de milieu- en sociale kenmerken worden nageleefd.

Methodologieën

De koolstofarme en netto nul-kenmerken van het fonds worden gemeten via de gewogen gemiddelde

koolstofintensiteit, ("WACI") berekend op basis van Scope 1- en Scope 2-emissies, in ton CO2-equivalent.

De positieve best-in-class screening van het fonds wordt gemeten aan de hand van de eigen ESG-scoringsmethode van de beleggingsadviseur.

De naleving van de uitsluitingsschermen wordt gemeten op basis van het percentage van de beleggingen van het fonds dat de uitsluitingsschermen schendt.

De duurzame beleggingen van het fonds worden beoordeeld zoals hierboven beschreven met betrekking tot "milieu- of sociale kenmerken van het financiële product". Bovendien worden de duurzame beleggingen getoetst aan de hierboven beschreven "do no significant harm"-methode van de beleggingsadviseur.

Databronnen en -verwerking

De beleggingsadviseur maakt gebruik van ESG-gegevens van diverse externe leveranciers. Deze gegevens worden verzameld en opgeslagen in de gecentraliseerde ESG-gegevensopslagplaats die elke afdeling van Morgan Stanley, inclusief de beleggingsteams van MSIM, toegang verstrekt tot de informatie voor onderzoek, portefeuilleanalyse en -opbouw, en rapportage aan cliënten en toezichhouders.

Als gevolg van gaten in de gegevensdekking wordt een klein deel van de gegevens die worden gebruikt om de afstemming op de E/S-kenmerken eventueel te beoordelen, geschat.

Methodologische en databeperkingen

Het Fonds kan redelijke vervangende gegevens voor PAI-indicatoren gebruiken wanneer de beleggingsadviseur van mening is dat de gegevens niet algemeen of betrouwbaar beschikbaar zijn. Voor meer details over de beperkingen van de gegevens, zie de volledige openbaarmaking van de website. De beleggingsadviseur neemt redelijke maatregelen om ervoor te zorgen dat het Fonds ondanks deze beperkingen aan zijn milieu- en sociale kenmerken kan voldoen, met inbegrip van het herzien en beoordelen van volmachten om ervoor te zorgen dat zij geschikte substituten zijn voor de ESG-thema's die door de relevante PAI-indicator worden bevorderd.

Wanneer voor een emittent geen screeninggegevens van derden met betrekking tot de uitsluitingen van het fonds beschikbaar zijn, zal de beleggingsadviseur bovendien zijn uiterste best doen om via intern onderzoek na te gaan of de emittent de bindende criteria van het fonds niet schendt.

Due diligence

De beleggingsadviseur baseert zich op intern onderzoek voor een onafhankelijke beoordeling van de waarde en kredietwaardigheid van een emittent, waarbij hij gebruik maakt van onderzoek van agentschappen en sell side van derden.

De beleggingsadviseur voert een diepgaande bottom-up analyse uit:

- voor bedrijfsobligaties, om obligatie-emittenten te identificeren die voldoen aan zijn beleggingscriteria in termen van concurrentiepositie, franchise-waarde en managementkwaliteit;

- voor staatsobligaties, om obligatie-emittenten te identificeren die voldoen aan zijn beleggingscriteria die de economische vooruitgang en veerkracht van soevereine naties ondersteunen, en die de beleggingsadviseur het meest van belang acht voor de prestaties van hun schuld; en
- voor securitisaties, om de onderliggende leningen of zekerheden van elk effect te analyseren met betrekking tot factoren zoals locatie, bezettingsgraad, kredietbeschikbaarheid van kredietnemers en geschiedenis van wanbetalingen.

De beleggingsadviseur voert ook bottom-up due diligence uit op de beleggingen van het fonds om eventuele duurzaamheidsrisico's te identificeren die de waarde van de activa kunnen beïnvloeden.

Daarnaast voert het risicoteam van de beleggingsadviseur een top-down analyse uit van de beleggingsrisico's op het gebied van duurzaamheid voor het fonds. Deze informatie wordt voortdurend gecontroleerd en er worden maandelijks rapporten verstrekt aan het senior management van de beleggingsadviseur, die worden beschouwd als een niet-bindend element van het besluitvormingsproces van het fonds.

Engagementbeleid

De beleggingsadviseur kan in contact treden met geselecteerde obligatie-emittenten over hun praktijken op het gebied van ondernemingsbestuur en overheidsbestuur, alsook over andere belangrijke duurzaamheidskwesties in verband met de SDG's, met inbegrip van duurzaamheidsgerelateerde controverses of schendingen van internationale normen en beginselen. Dergelijke engagementactiviteiten ondersteunen, op kwalitatieve en niet-bindende basis, de beoordeling van de PAI en goed bestuur van het fonds.

Aangewezen referentiebenchmark

Het fonds heeft geen referentiebenchmark aangewezen voor het bereiken van zijn milieu- of sociale kenmerken.

SFDR-artikkel 8 – kunngjøring på nettstedet

Produktnavn: Sustainable Euro Strategic Bond Fund ("fondet")

Et fond i Morgan Stanley Investment Funds LEI-kode: 5493001NHR60KNHKPZ06

Sammendrag

Ingen mål om bærekraftig investering

Dette finansproduktet fremmer miljømessige og sosiale egenskaper, men har ikke bærekraftig investering som mål.

Fondet vil ha en minimumsandel på 50 % bærekraftige investeringer.

Metoden for "ingen vesentlig skade" som anvendes av investeringsrådgiveren, søker å sikre at fondets bærekraftige investeringer ikke forårsaker betydelig skade på noen av de obligatoriske indikatorene for vesentlig negative konsekvenser på bærekraftsfaktorer ("PAI") i EUs SFDR-regler som er relevante for investeringen, samt at de overholder visse minste sosiale sikkerhetstiltak.

Miljømessige eller sosiale egenskaper ved det finansielle produktet

Fondet fremmer miljøkarakteristikken for å redusere klimaendringer ved å: (a) opprettholde en lavere karbonintensitet enn bedriftsdelen av Bloomberg Euro Aggregate-indeksen; (b) sikte på å oppnå netto nullutslipp på porteføljenivå for bedriftsinvesteringer innen 2050, halvere dem innen 2030 sammenlignet med 2020; og (c) ekskludere investeringer i visse typer fossilt brensel. I tillegg fremmer fondet sosiale egenskaper ved å unngå investeringer i aktiviteter som kan skade menneskers helse og velvære, i statlige utstedere som i betydelig grad bryter sosiale rettigheter, og verdipapiriseringer som bryter med ansvarlig forretnings- eller utlånspraksis.

Fondet søker også å investere i selskaper, statlige utstedelser og verdipapiriseringer som det anser for å være best-i-klassen på ESG-spørsmål

I tillegg vil en andel av fondets investeringer være bærekraftige investeringer i: (a) selskapsutstedere hvis forretningspraksis, produkter eller løsninger gir et netto positivt bidrag til FNs mål for bærekraftig utvikling ("SDG-er"); (b) statlige utstedere assosiert med positive miljømessige eller sosiale attributter basert på deres ESG-score; eller ("bærekraftige obligasjoner") som gir et positivt miljømessig eller sosialt bidrag gjennom bruken av inntektene.

Investeringsstrategi

Fondets mål er å generere avkastning gjennom investeringer primært i rentepapirer pålydende euro.

Fondet oppfyller sine miljømessige og sosiale egenskaper gjennom:

- a) utelukkelse av:
 - selskapsutstedere som: (i) genererer inntekter fra kontroversielle våpen, sivile skytevåpen, tobakksproduksjon eller termisk kullgruve drift og -utvinning; (ii) henter en viss andel av sine inntekter fra utvinning av oljesand, arktisk olje- og gassproduksjon, kullfyrt kraftproduksjon, gambling, voksenunderholdning eller detaljhandel og

distribusjon av tobakk; eller (iii) bryter sentrale internasjonale normer for sosiale sikkerhetstiltak, eller har svært alvorlige ESG-relaterte uoverensstemmelser;

- statlige utstedere som er i de 10 % lavest rangerte landene mht. sosiale overtredelser, eller
 - verdipapiriseringer knyttet til negativ atferd, inkludert uhederlig utlånspraksis og bedragerisk oppførsel.
- b) vektning av porteføljen til fordel for ESG-scorede utstedere.
 - c) opprettholdelse av en lavere karbonintensitet enn referansen, med målsetting om netto nullutslipp på porteføljenivå for selskapsinvesteringer innen 2050.

I tillegg har fondet som mål å investere minst 50 % av sine aktiva i bærekraftige investeringer (som beskrevet ovenfor).

Som en del av sin prosess med nedena-og-opp-analyse av fundamentale forhold, innlemmer investeringsrådgiveren systematisk vurderingen av en utstedeers selskapsstyring og forretningskikk.

Andel av investeringer

| Tilpasset miljømessige/sosiale egenskaper | 80% |
|---|------------|
| Bærekraftige investeringer | 50% |
| Tilpasset taksonomi | - |
| Andre miljøforhold | - |
| Sosiale forhold | - |
| Andre miljømessige/sosiale egenskaper | 30% |
| Andre investeringer | 20% |

Fondet forventer å allokere minimum 50 % av sine aktiva til bærekraftige investeringer.

80 % av investeringene er tilpasset miljømessige eller sosiale egenskaper. Mesteparten av dette består av investeringer som tilbyr direkte eksponering til enheter som det er investert i, selv om en del av slike 80 % kan bestå av verdipapiriseringer som tilbyr indirekte eksponering mot underliggende aktiva.

Disse prosentandelene måles i henhold til verdien av investeringene.

Overvåking av miljømessige eller sosiale egenskaper

De miljømessige og sosiale egenskapene overvåkes ved hjelp av en kombinasjon av verktøy/utslingsmekanismer, porteføljeovervåkingsverktøy og manuelle gjennomganger av dokumentasjon og analyser.

Investeringsrådgiverens etterlevelses-, risiko- og porteføljeovervåkingsteam samarbeider med investeringsteamet for å gjennomføre regelmessige portefølje-/verdiutviklingsgjennomganger og systemkontroller for å sikre etterlevelse mht. porteføljens investeringsmål og miljømessige og sosiale egenskaper.

Metoder

Fondets lavkarbon- og netto null-egenskaper måles gjennom målinger av vektet gjennomsnittlig karbonintensitet ("WACI"), beregnet som Scope 1- og 2-utslipp, i tonn CO₂-ekvivalenter.

Fondets positive best-i-klassen-utslipp måles gjennom investeringsrådgiverens selskapsinterne ESG-scoringemetodikk.

Etterlevelsen av utsilingsmekanismene måles ut fra prosentandelen av fondets investeringer som ikke oppfyller utsilingsmekanismene.

De bærekraftige investeringene som gjøres av fondet vurderes som beskrevet ovenfor i forhold til "miljømessige eller sosiale egenskaper ved det finansielle produktet". I tillegg vurderes de bærekraftige investeringene i forhold til investeringsrådgiverens metodikk «gjør ingen vesentlig skade» beskrevet ovenfor.

Datakilder og -behandling

Investeringsrådgiveren utnytter ESG-data fra ulike eksterne leverandører. Disse dataene samles inn og lagres i Morgan Stanleys sentraliserte ESG-datalager, slik at enhver forretningsenhet hos Morgan Stanley, deriblant MSIM-investeringsteam, har tilgang til informasjonen for analyse, porteføljegjennomgang og -oppbygning samt klient- og regelverksrapportering.

På grunn av hull i datadekningen kan en liten andel av dataene som brukes til å vurdere samsvar med miljømessige og sosiale egenskaper, være estimerte data.

Begrensninger i metoder og data

Fondet kan bruke rimelige referansedata for PAI-indikatorer der investeringsrådgiveren anser at dataene ikke er allment tilgjengelig eller pålitelige. For ytterligere detaljer om databegrensninger, se de fullstendige opplysningene på nettsiden. Investeringsrådgiveren treffer rimelige tiltak for å sikre at fondet er i stand til å oppfylle sine miljømessige og sosiale egenskaper til tross for disse begrensningene, inkludert gjennomgang og vurdering av fullmakter for å sikre at de utgjør passende erstatninger for ESG-temaene som fremmes av den relevante PAI-indikatoren.

I tillegg, dersom tredjeparts utsilingsdata med hensyn til fondets ekskluderinger ikke er tilgjengelig for en utsteder, vil investeringsrådgiveren gjøre sitt beste for å bekrefte, gjennom interne undersøkelser, at utstederen ikke bryter fondets bindende kriterier.

Due diligence

Investeringsrådgiveren er avhengig av intern analyse for å utføre en uavhengig vurdering av en utstedeers verdi og kredittverdighet, ved å bruke tredjepartsbyråer og salgssideanalyse som en del av analysen.

Investeringsrådgiveren gjennomfører en dyptgående nedenfra-og-opp-analyse:

- for selskapsobligasjoner, for å identifisere obligasjonsutstedere som oppfyller investeringskriteriene mht. konkurranseposisjon, franchiseverdi og ledelseskvalitet.
- for statsobligasjoner, for å identifisere obligasjonsutstedere som oppfyller investeringskriteriene som underbygger økonomisk fremgang og motstandskraft for suverene nasjoner, og som investeringsrådgiveren anser som mest vesentlig for verdiutviklingen av deres gjeldspapirer; og
- for verdipapiriseringer, for å analysere hvert verdipapirs underliggende lån eller sikkerhetsdekningsfaktorer som plassering, utnyttelsesgrad, låntakeres lånemulighet og misligholdshistorikk.

Investeringsrådgiveren utfører også nedenfra og opp due diligence av fondets investeringer for å identifisere bærekraftsrisikoer som kan påvirke verdien av aktivaene, som vurderes på et ikke-bindende grunnlag.

I tillegg utfører investeringsrådgiverens risikoteam ovenfra-og-ned-baserte risikoanalyser av bærekraftsinvestering for fondet. Denne informasjonen overvåkes fortløpende, og månedlige rapporter leveres til investeringsrådgiverens toppledelse og tas med i betraktningen som et ikke-bindende element i fondets investeringsbeslutningsprosess.

Retningslinjer for engasjement

Investeringsrådgiveren kan engasjere seg med utvalgte obligasjonsutstedere, både stater og selskaper, vedrørende deres styringspraksis, så vel som om andre vesentlige bærekraftsspørsmål knyttet til bærekraftsmålene, inkludert bærekraftsrelaterte kontroverser eller brudd på internasjonale normer og prinsipper. Slike engasjementsaktiviteter understøtter, på et kvalitativt og ikke-bindende grunnlag, fondets vurdering av vesentlige negative konsekvenser (PAI) og god selskapsstyring.

Utpekt referanseindeks

Fondet har ikke utpekt en referanseindeks for å oppnå sine miljømessige eller sosiale egenskaper.

Divulgação do artigo 8.º do SFDR no website

Nome do produto: *Sustainable Euro Strategic Bond Fund (o "Fundo")*

Um fundo da Morgan Stanley Investment Funds

Identificador de entidade jurídica:

5493001NHR60KNHKPZ06

Resumo

Produto sem objetivo de investimento sustentável

Este produto financeiro promove características ambientais e sociais, mas não tem por objetivo o investimento sustentável.

O Fundo terá uma proporção mínima de 50% de investimentos sustentáveis.

A metodologia de "não causar danos significativos" aplicada pelo Consultor de Investimentos visa garantir que os investimentos sustentáveis do Fundo não causem danos significativos a nenhum dos indicadores dos principais impactos negativos ("PIN") obrigatórios que constam nas regras do Regulamento de Divulgação de Informações sobre Sustentabilidade dos Serviços Financeiros (SFDR) da UE que são relevantes para o investimento e cumprem determinadas salvaguardas sociais mínimas.

Características ambientais ou sociais do produto financeiro

O Fundo promove a característica ambiental de mitigação das alterações climáticas ao: (a) manter uma intensidade carbónica menor do que parte das empresas do índice Bloomberg Euro Aggregate; (b) visar alcançar a neutralidade carbónica ao nível da carteira nos investimentos das empresas até 2050, reduzindo-a a metade até 2030, face a 2020; e (c) excluir investimentos em determinados combustíveis fósseis. Além disso, o Fundo promove a característica social de evitar investimentos em atividades que podem causar danos à saúde e ao bem-estar do ser humano, em emittentes soberanos que violam significativamente os direitos sociais e em titularizações que violam práticas empresariais ou de empréstimo responsáveis.

O Fundo visa ainda investir em empresas, entidades soberanas e titularizações que considere as melhores em questões ASG

Além disso, uma proporção dos investimentos do Fundo serão investimentos sustentáveis em: (a) emittentes empresariais cujas práticas empresariais, produtos ou soluções contribuem de forma positiva para os Objetivos de Desenvolvimento Sustentável ("ODS") das Nações Unidas; (b) emittentes soberanos associados a atributos ambientais ou sociais positivos com base nas respetivas classificações ASG; ou (c) Obrigações Verdes, de Investimento Social ou Sustentáveis ("Obrigações Sustentáveis") que contribuem de forma positiva para o ambiente ou para a sociedade através da afetação das receitas.

Estratégia de Investimento

O objetivo do Fundo é gerar um retorno através de investimentos feitos primordialmente em títulos de rendimento fixo denominados em euros.

O Fundo cumpre as suas características ambientais e sociais através de:

- a) exclusão de:
 - emittentes empresariais que: (i) geram receitas provenientes de armamento controverso, armas de fogo civis, fabrico de tabaco ou extração e mineração de carvão térmico; (ii) obtêm uma determinada parte dos seus rendimentos da extração de areias betuminosas, produção de petróleo e gás no Ártico, produção de eletricidade em centrais a carvão, jogos de apostas/azar, entretenimento para adultos ou comércio a retalho e distribuição de tabaco; ou (iii) violam regras internacionais fundamentais relativas a salvaguardas sociais ou são alvo de controvérsias muito graves relacionadas com fatores ASG;
 - emittentes soberanos de países situados nos últimos 10% em termos de violações sociais; ou
 - titularizações associadas a comportamentos negativos, incluindo práticas de empréstimo predatórias e comportamentos fraudulentos.
- b) abordagem de construção da carteira assente no favorecimento dos emittentes com melhor classificação ASG.
- c) manutenção de uma intensidade carbónica menor do que a do índice de referência, com vista à neutralidade carbónica ao nível da carteira nos investimentos das empresas até 2050.

Além disso, o Fundo visa investir um mínimo de 50% dos seus ativos em investimentos sustentáveis (conforme descrito anteriormente).

Como parte do respetivo processo ascendente de investigação fundamental, o Consultor de Investimentos incorpora sistematicamente a avaliação da governação empresarial e das práticas comerciais de um emittente.

Proporção dos investimentos

| | |
|--|------------|
| Alinhados com características A/S | 80% |
| <i>Investimentos sustentáveis</i> | 50% |
| <i>Alinhados com a taxonomia</i> | - |
| <i>Outras características ambientais</i> | - |
| <i>Sociais</i> | - |
| <i>Outras características A/S</i> | 30% |
| Outros investimentos | 20% |

O Fundo prevê afetar um mínimo de 50% dos seus ativos a investimentos sustentáveis.

80% dos investimentos estão alinhados com características ambientais ou sociais. A maioria abrange investimentos que oferecem exposição direta às entidades investidas, embora uma parte desses 80% possa incluir titularizações que oferecem exposição indireta aos ativos subjacentes.

Estas percentagens são calculadas de acordo com o valor dos investimentos.

Monitorização das características ambientais ou sociais

As características ambientais e sociais são monitorizadas mediante a utilização de uma combinação de ferramentas/triagens, ferramentas de supervisão das carteiras e análises documentais manuais.

As equipas de Conformidade, Risco e Supervisão de Carteiras do Consultor de Investimentos colaboram com a equipa de investimento na realização de análises

periódicas da carteira/do desempenho e de verificações sistêmicas para garantir o cumprimento dos objetivos de investimento da carteira e das características ambientais e sociais.

Metodologias

As características de baixo carbono e neutralidade carbônica do Fundo são medidas através da intensidade carbônica média ponderada (“**WACI**”), calculada como emissões de âmbito 1 e 2, equivalente a toneladas de CO₂.

A análise positiva dos melhores em ASG realizada pelo Fundo é medida através da metodologia de classificação ASG interna do Consultor de Investimentos.

A conformidade com as análises de exclusão é medida com base na percentagem dos investimentos do Fundo que violam as triagens de exclusão.

Os investimentos sustentáveis realizados pelo Fundo são avaliados conforme descrito anteriormente em relação às “características ambientais ou sociais do produto financeiro”. Além disso, os investimentos sustentáveis são avaliados por referência à metodologia de “não causar danos significativos” aplicada pelo Consultor de Investimentos e descrita anteriormente.

Fontes tratamento dos dados

O Consultor de Investimentos tira partido de dados ASG de vários fornecedores externos. Estes dados são recolhidos e armazenados no repositório centralizado de dados ASG da Morgan Stanley para que todas as unidades de negócio da Morgan Stanley, incluindo as equipas de investimento da MSIM, tenham acesso às informações para efeitos de pesquisa, análise e constituição de carteiras e de apresentação de reporte regulamentar às entidades competentes e a clientes.

Devido a lacunas na cobertura dos dados, uma pequena proporção dos dados utilizados para avaliar o alinhamento com as características A/S pode ser estimada.

Limitações da metodologia e dos dados

O Fundo pode utilizar dados indiretos plausíveis para os indicadores PIN quando o Consultor de Investimentos considerar que os dados não estão disponíveis ou não são fiáveis de forma generalizada. Para mais informações sobre as limitações de dados, consulte a divulgação completa no website. O Consultor de Investimentos toma medidas razoáveis para garantir que o Fundo é capaz de cumprir as suas características ambientais ou sociais apesar destas limitações, incluindo a análise e avaliação de indicadores indiretos de forma a garantir que são substitutos adequados às temáticas ASG promovidas pelo indicador PIN relevante.

Além disso, quando os dados de triagem de terceiros em relação às exclusões do Fundo não estiverem disponíveis para um emitente, o Consultor de Investimentos irá envidar todos os esforços para verificar, através de pesquisa interna, se o emitente não viola os critérios vinculativos do Fundo.

Diligência devida

O Consultor de Investimentos baseia-se em pesquisas internas para obter a sua própria avaliação independente

do valor e da capacidade creditícia de um emitente utilizando como contributo as pesquisas de agências terceiras e de analistas do lado do vendedor.

O Consultor de Investimentos realiza uma análise ascendente aprofundada:

- para obrigações de empresas, com o intuito de identificar emitentes de obrigações que satisfaçam os seus critérios de investimento em termos de posição competitiva, valor de franquia e qualidade de gestão;
- para obrigações do tesouro, com o intuito de identificar emitentes de obrigações que satisfaçam os respetivos critérios de investimento que sustentam o progresso económico e a resiliência das nações soberanas e que o Consultor de Investimentos considere mais relevantes para o comportamento do respetivo endividamento; e
- para titularizações, com o intuito de analisar os empréstimos subjacentes a cada título ou garantias que cobrem fatores como a localização, as taxas de ocupação, o historial de incumprimentos e a disponibilidade de crédito dos mutuários.

O Consultor de Investimentos também realiza, numa abordagem ascendente, as diligências devidas aos investimentos do Fundo para identificar riscos de sustentabilidade que possam afetar o valor dos ativos, considerados como sendo não vinculativos.

Para além disso, a equipa de Riscos do Consultor de Investimentos realiza uma análise descendente do risco de investimento em relação à sustentabilidade do Fundo. Estas informações são monitorizadas regularmente, sendo fornecidos relatórios mensais aos diretores de topo do Consultor de Investimentos, e são tidas em conta como um elemento não vinculativo do processo de tomada de decisão de investimento do Fundo.

Políticas de envolvimento

O Consultor de Investimentos pode interagir com emitentes de obrigações selecionados em relação às respetivas práticas de governação soberana e empresarial, bem como relativamente a outras questões relevantes de sustentabilidade relacionadas com os ODS, incluindo controvérsias relacionadas com a sustentabilidade ou violações das normas e dos princípios internacionais. Essas atividades de interação servem de apoio, numa base qualitativa e não vinculativa, aos PIN do Fundo e à avaliação de boa governação.

Índice de referência designado

O Fundo não designou um índice de referência com o objetivo de concretizar as respetivas características ambientais ou sociais.

SFDR Artikel 8 Webbplatsinformation

Produktnamn: Sustainable Euro Strategic Bond Fund ("fonden")

En fond tillhörig Morgan Stanley Investment Funds Identifieringskod för juridisk person:
5493001NHR60KNHKPZ06

Sammanfattning

Inga mål för hållbar investering

Denna finansiella produkt främjar miljömässiga och sociala egenskaper, men har inte hållbar investering som mål.

Fonden kommer att minst ha en andel på 50 % i hållbara investeringar.

Metoden har "ingen betydande negativ inverkan" som tillämpas av investeringsrådgivaren syftar till att säkerställa att fondens hållbara investeringar inte orsakar betydande negativ inverkan på någon av de obligatoriska PAI-indikatorerna (**negativ påverkan på hållbarhetsfaktorer**) i EU:s SFDR-regler som är relevanta för investeringar och följer vissa sociala minimigarantier.

Den finansiella produktens miljörelaterade eller sociala egenskaper

Fonden främjar de miljömässiga egenskaperna att bidra till att mildra klimatförändringarna genom att: (a) upprätthålla en lägre koldioxidintensitet än företagsdelen av Bloomberg Euro Aggregate-indexet, b) sträva efter att uppnå nettonollutsläpp på portföljnivå för företagsinvesteringar till 2050, och halvera dem till 2030 jämfört med 2020, och c) utesluta investeringar i vissa typer av fossila bränslen. Dessutom främjar fonden den sociala egenskaperna att undvika investeringar i verksamhet som kan orsaka skada på människors hälsa och välbefinnande, i statliga emittenter som i verkligheten överträder sociala rättigheter, och värdepapperiseringar som överträder ansvarsfulla företag eller utlåningspraxis.

Fonden strävar också efter att investera i företag, stater och värdepapperiseringar som den anser är bäst i klassen när det gäller ESG-frågor.

Dessutom kommer en del av fondens investeringar att vara hållbara investeringar inom: (a) företagsemittenter vars företagspraxis, produkter eller lösningar skapar ett positivt bidrag till FN:s hållbarhetsmål ("SDG"), (b) statliga emittenter som är förknippade med positiva miljö- eller samhällsegenskaper baserat på deras ESG-poäng eller (c) gröna, sociala eller hållbarhetsrelaterade obligationer ("hållbarhetsobligationer") som bidrar positivt på miljö eller samhälle genom det sätt som behållningen används.

Investeringsstrategi

Fondens mål är att generera inkomster genom att främst investera i euronoterade räntebärande värdepapper.

Fonden uppfyller sina miljömässiga och sociala egenskaper genom att:

- a) utesluta:
- företagsemittenter som: (i) genererar intäkter från kontroversiella vapen eller civila skjutvapen, tobakstillverkning eller brytning och utvinning av termiskt kol; (ii) får en viss andel av sina intäkter

från utvinning av oljesand, produktion av olja och gas i Arktis, kraftproduktion med koleldning, spelverksamhet, vuxenunderhållning eller detaljhandel och distribution av tobak; eller (iii) bryter mot viktiga internationella normer för sociala garantier eller har mycket allvarliga ESG-relaterade kontroverser;

- statliga emittenter som är i de lägst rangordnade 10 % länder avseende social orättvisa, eller
 - värdepapperiseringar knutna till negativa beteenden däribland utlåningspraxis till ockerpriser och bedrägligt beteende.
- b) anpassa portföljen till förmån för de bästa emittenterna i klassen med ESG-poäng.
- c) upprätthålla en lägre koldioxidintensitet än referensindex, med ett mål på nettonollutsläpp på portföljnivå för företagsinvesteringar till 2050.

Dessutom strävar fonden efter att investera minst 50 % av tillgångarna i hållbara investeringar (enligt beskrivningen ovan).

Som en del av sin företagsanalysprocess tar investeringsrådgivaren systematiskt hänsyn till bedömningen av en emittents bolagsstyrning och affärsmetoder.

Andel av investeringar

| I linje med egenskaper för miljö och samhälle | 80% |
|--|------------|
| Hållbara investeringar | 50% |
| I linje med taxonomi | - |
| Övrigt miljömässigt | - |
| Socialt | - |
| Andra egenskaper för miljö och samhälle | 30% |
| Övriga investeringar | 20% |

Fonden förväntas allokera minst 50 % av tillgångarna till hållbara investeringar.

80 % av investeringarna är i linje med miljömässiga och sociala egenskaper. Det mesta av detta består av investeringar som erbjuder direkt exponering mot investeringsobjekt även om en del av dessa 80 % kan omfatta värdepapperiseringar som erbjuder direkt exponering mot underliggande tillgångar.

Dessa procentsatser mäts efter investeringarnas värde.

Övervakning av miljörelaterade eller sociala egenskaper

De miljömässiga och sociala egenskaperna övervakas med en kombination av verktyg/granskningar, verktyg för portföljövervakning och manuella skrivbordsgranskningar och analyser.

Investeringsrådgivarens efterlevnads-, risk- och portföljövervakningsteam samarbetar med investeringsteamet för att genomföra regelbundna portfölj-/resultatgranskningar och systemkontroller för att säkerställa efterlevnad av portföljens investeringsmål och miljömässiga och sociala egenskaper.

Metoder

Fondens egenskaper när det gäller låga koldioxidutsläpp och nettonollutsläpp mäts med hjälp av den viktade genomsnittliga koldioxidintensiteten ("WACI"), som beräknas utifrån Scope 1- och 2-utsläpp i ton

koldioxidekvivalenter.

Fondens positiva bästa i klassen-screening mäts genom investeringsrådgivarens egen poängmetod för ESG.

Efterlevnad av uteslutningsgranskningarna mäts baserat på den procentsats av fondens investeringar som överträder uteslutningsgranskningarna.

Fonden hållbara investeringar bedöms enligt vad som beskrivs ovan i förhållande till den finansiella produktens miljö- och samhällsegenskaper. Dessutom bedöms de hållbara investeringarna mot investeringsrådgivarens metodik för att "ingen betydande negativ inverkan" som beskrivs ovan.

Datakällor och databehandling

Investeringsrådgivaren utnyttjar ESG-data från olika externa leverantörer. Dessa data samlas in och lagras i Morgan Stanleys centraliserade ESG-dataarkiv för att göra det möjligt för alla Morgan Stanleys affärsenheter, inklusive MSIM-investeringssteamerna, att få tillgång till informationen för forskning, portföljanalys och portföljkonstruktion samt kundrelaterad och lagstadgad rapportering.

På grund av luckor i datatäckningen kan en liten del av de data som används för att bedöma överensstämmelse med de miljömässiga och sociala egenskaperna vara uppskattade data.

Begränsningar för metoder och data

Fonden kan använda rimliga indirekta uppgifter för PAI-indikatorer där investeringsrådgivaren anser att data inte är allmänt eller tillförlitligt tillgängliga. För ytterligare information om databegränsningar, se den fullständiga informationen på webbplatsen. Investeringsrådgivaren vidtar rimliga åtgärder för att säkerställa att fonden kan uppfylla sina miljömässiga och sociala egenskaper trots dessa begränsningar, inklusive granskning och bedömning av indirekta uppgifter för att säkerställa att de är lämpliga substitut för ESG-teman som främjas av den relevanta PAI-indikatorn.

Om det dessutom inte finns några uppgifter från tredje part om granskning av en emittent i förhållande till fondens uteslutningar, kommer investeringsrådgivaren att göra sitt bästa för att genom intern forskning kontrollera att emittenten inte bryter mot fondens bindande kriterier.

Due diligence

Investeringsrådgivaren förlitar sig på interna analyser för att utföra sin egen oberoende bedömning av en emittents värde och kreditvärdighet, med hjälp av analyser från tredjepartsbyråer och säljare som indata.

Investeringsrådgivaren genomför en djupgående företagsanalys:

- av företagsobligationer, för att identifiera obligationsemittenter som uppfyller investeringskriterierna när det gäller konkurrensläge, franchisevärde och ledningskvalitet,
- av statsobligationer, för att identifiera obligationsemittenter som uppfyller investeringskriterierna, som stöder suveräna nationers ekonomiska framsteg och motståndskraft, och som investeringsrådgivaren anser vara mest väsentliga för resultatet av deras skuldsättning och

- av värdepapperiseringar, för att analysera varje värdepappers underliggande lån eller säkerhet med hänsyn till faktorer som lokalisering, beläggningsgrad, låntagares kreditillgänglighet och historik av betalningsinställelser.

Investeringsrådgivaren utför också en due diligence-analys på företagsnivå på fondens investeringar för att identifiera eventuella hållbarhetsrisker som skulle kunna påverka värdet av tillgångarna, vilket beaktas på icke-bindande basis.

Dessutom utför investeringsrådgivarens riskteam omvärldsanalyser av hållbarhetsinvesteringsrisker för fonden. Denna information övervakas löpande och månadsrapporter lämnas till investeringsrådgivarens högsta ledning och beaktas som en icke-bindande del av fondens investeringsbeslutsprocess.

Strategier för engagemang

Investeringsrådgivaren kan komma att samarbeta med utvalda obligationsemittenter om deras företags- och statliga styrningspraxis samt om andra viktiga hållbarhetsfrågor med anknytning till hållbarhetsmålen, inklusive hållbarhetsrelaterade tvister eller brott mot internationella normer och principer. Sådan engagemangsverksamhet stöder, på en kvalitativ och icke-bindande grund, fondens bedömning av negativ påverkan på hållbarhetsfaktorer (PAI) och god bolagsstyrning.

Valt referensvärde

Fonden har inte angivit något referensindex i syfte att uppnå sina miljömässiga eller sociala egenskaper.

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DEFINITIONS

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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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