

Morgan Stanley

INVESTMENT MANAGEMENT

Engagement Approach

October 2025



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1 Philosophy

Morgan Stanley Investment Management (“MSIM”)¹ is the steward of our clients’ capital. We believe this is best achieved through a decentralized approach towards investment management, giving our public and private markets investment teams the autonomy to make informed, independent decisions based on their expertise and local market insights. As part of this responsibility, MSIM’s investment teams may seek to engage² with selected companies³ they invest in, as appropriate, when such engagement is considered to be potentially financially material to the companies and/or the team’s investment strategies.⁴

Engagement gives investment teams the opportunity to seek information and help guide companies in which they invest toward better practices, which they believe may contribute to reducing risks or improving opportunities, ultimately producing attractive returns for their clients over the long-term. MSIM’s investment teams are responsible for setting engagement objectives, where relevant, and determining the appropriate engagement methods depending on asset class, geography, investment style and strategy.

2 Definition of Engagement

An engagement is an interaction with a company on an issue that could potentially impact an investment team’s financial evaluation of the company. This could include:

- **Fact finding:** asking questions with the aim to discover new information about the company to supplement the investment or stewardship team’s desk-based research; and
- **Information sharing:** informing the company about the team’s view on a particular matter and why it may be financially material. As appropriate, this could include encouraging the company to pursue better practices that the team believes would improve management of material risks and/or opportunities over time.

3 Processes and Methods

MSIM’s investment teams, where appropriate to their investment strategy, endeavour to engage in constructive dialogue with companies, which may encompass activities ranging from meetings and discussions on a particular issue to multi-year engagements on a range of topics specific to the company or asset to encourage improvement of companies’ practices where relevant. This can include a range of topics that may affect the long-term value of a business or asset, including where relevant, strategy, capital structure, operational performance and delivery, risk management, executive pay, corporate governance, and sustainability topics,⁵ recognising that different approaches to engagement may be appropriate in different regions.

Investment teams may work with MSIM’s Global Stewardship Team, which is a central team dedicated to support investment teams’ stewardship activities, predominantly relating to operational and governance aspects of engagement.

¹ MSIM refers to the investment management business segment of Morgan Stanley, a global financial services firm. MSIM is composed of a number of wholly-owned subsidiaries of Morgan Stanley. In addition to the overarching principles embedded in this document, MSIM’s individual investment teams and advisor entities (collectively, “investment teams”) may maintain additional policies related to engagement, as appropriate.

² MSIM’s engagement activities do not seek to change or influence the control of an issuer. MSIM’s proxy voting decisions are not solely conditioned upon any particular company engagement. In addition, MSIM engages with companies for pecuniary reasons unless specifically instructed by a client or product.

³ For the purposes of this document “companies” is referenced throughout as the entity investment teams engage with, but note that certain investment teams engage with other types of issuers (sovereigns, SSAs, etc.).

⁴ Certain investment teams may not conduct engagements where they have determined it is not currently feasible or appropriate to do so.

⁵ For more information on our approach to our Sustainable Investing, see our [Sustainable Investing Policy](#).

4 Collaborative Engagement

MSIM's investment teams generally prefer one-on-one discussions, as they consider these interactions to be the most effective way to articulate their views and engage in constructive discussions with companies.

MSIM's investment teams may also be supportive of collaborative engagement where such engagement may materially enhance portfolio values, potentially deliver tangible outcomes or provide unique education opportunities. MSIM only participates in collaborative engagements when they can be conducted in a manner that is in full compliance with applicable laws and regulations, and is in line with market practice. This can include cross-asset class joint engagement between MSIM investment teams or participation in externally organized investor coalitions.

5 Private Markets

On the private markets side, engagement approaches may not follow the definition outlined in this document, as interactions are idiosyncratic to the investment strategy and asset class, differing across equity and credit, real estate, and infrastructure. As well as engaging with portfolio companies, MSIM private markets teams may also engage with other relevant stakeholders, such as other general partners ("GPs") on the private credit and equity side, or property managers and tenants on the real estate side.

For more information, MSIM engagement-related disclosures and policies, as well as investment team-specific insights are available on [our website](#).

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Risk Considerations

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. There is no assurance that a Portfolio will achieve its investment objective. Portfolios are subject to market risk, which is the possibility that the market values of securities owned by the Portfolio will decline and that the value of Portfolio shares may therefore be less than what you paid for them. Market values can change daily due to economic and other events (e.g. natural disasters, health crises, terrorism, conflicts and social unrest) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g. portfolio liquidity) of events. In general, **equity securities'** values also fluctuate in response to activities specific to a company. Investments in **foreign markets** entail special risks such as currency, political, economic, and market risks. The risks of investing in emerging market countries are greater than risks associated with investments in foreign developed countries. **Fixed income securities** are subject to the ability of an issuer to make timely principal and interest payments (credit risk), changes in interest rates (interest-rate risk), the creditworthiness of the issuer and general market liquidity (market risk). In a rising interest-rate environment, bond prices may fall and may result in periods of volatility and increased portfolio redemptions. In a declining interest-rate environment, the portfolio may generate less income. **Longer-term securities** may be more sensitive to interest rate changes. **Alternative investments** are speculative, involve a high degree of risk, are highly illiquid, typically have higher fees than other investments, and may engage in the use of leverage, short sales, and derivatives, which may increase the risk of investment loss. These investments are designed for investors who understand and are willing to accept these risks. Performance may be volatile, and an investor could lose all or a substantial portion of its investment.

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

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

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

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