

Morgan Stanley Investment Management Global Order Execution Policy

1 Executive Summary

Morgan Stanley Investment Management (“MSIM”) manages portfolios of investments on a discretionary basis for investment funds and managed client accounts (together referred to as the “Clients”).

MSIM refers to each MSIM Adviser that provides investment management services to Clients, as follows:

- Morgan Stanley Investment Management Inc. (“MSIM”)
- Morgan Stanley Investment Management Limited (“MSIM Ltd.”)
- Morgan Stanley Investment Management Private Limited
- Morgan Stanley Investment Management Company
- Morgan Stanley Asia Limited
- MS 522 CLO Manager LLC
- Morgan Stanley Investment Management (Japan) Co., Ltd.
- Morgan Stanley AIP GP LP
- Morgan Stanley Saudi Arabia (“MSSA”)

This MSIM Global Order Execution Policy (the “Policy”) outlines the process MSIM has established which seeks to provide best execution when executing orders on behalf of clients as required by the Markets in Financial Instruments Directive II (“MiFID II”) and requirements set out in Chapter 11 of the FCA’s Conduct of Business Sourcebook (COBS 11.2).

Pursuant to these rules, MSIM must take all sufficient steps to obtain the best possible results for its Clients when placing orders as part of MSIM’s portfolio management service in compliance with its contractual or agency obligation to act in accordance with the best interests of the Client taking into account the Relevant Factors (as defined below).

2 Scope

This Policy applies to the placement of orders for execution on behalf of MSIM clients and is applicable to all investment employees of MSIM globally.

3 Policy Statements

1. MSIM must take all sufficient steps to obtain the best possible results for its Clients when placing orders as part of MSIM's portfolio management services.
2. MSIM must act in accordance with the best interests of the Client taking into consideration the Relevant Factors.

4 Standard: Overview

4.1 Client Classification

For the purposes of the Policy, MSIM Clients are classified as 'Professional Clients' as defined in the FCA Rules.

4.2 Aggregation and Allocation of Orders

MSIM aims to allocate, buy and sell orders among its Clients subject to prevailing market conditions, Clients' restrictions and the Relevant Factors (as defined below) in accordance with its Global Trade Aggregation and Allocation Policy and Procedure. MSIM does not provide any of its Clients, or a group of Clients, with preferential treatment in connection with investment opportunities. The Clients participate in the allocation process on a pro rata basis, and in line with any concentration or liquidity restrictions applicable as per their investment guidelines. Compliance approved regional allocation policies may vary this approach where necessary.

4.3 Approval of Brokers

MSIM may only execute transactions with authorised brokers that appear on MSIM's Approved Broker List ("ABL"). MSIM performs due diligence to ascertain that each broker meets minimum standards set by the MSIM Trading and Research Governance Team ("TRG"). Factors considered in approving counterparties include general criteria related to creditworthiness (financials, ratings, capital adequacy, etc.) as well as other qualitative factors such as execution capabilities, operational stability and regulatory/reputational considerations.

For non-investment grade brokers, TRG also conducts a credit review to assess balance sheet strength based on equity capital as a percent of assets, degree of debt in the capital structure measured as the number of times equity capital is leveraged, and percentage of assets represented by securities owned at market value, among other analytical metrics. The consistency of operating results and trends of the foregoing ratios are generally reviewed for the prior three fiscal year-ends. Credit reviews for non-investment grade brokers are conducted once per calendar year.

4.4 Selection of Brokers

In selecting the appropriate broker from the ABL, MSIM will consider and prioritise the following determining factors:

- Best available price
- Reliability, integrity and reputation in the industry

- Execution capabilities, order size, speed of execution, and the quality and responsiveness of its trading desk
- Knowledge of and access to the markets for securities being traded
- Protection of confidentiality
- Ability to handle non-traditional trades
- Technology infrastructure
- Clearance and settlement capabilities
- The size of the trade relative to other trades in the same instrument
- Ability of the counterparty to commit capital to trades as well as the counterparty's access to liquidity
- Counterparty restrictions associated with a portfolio including trading documentation requirements (e.g. ISDA or MSFTA) or any specific clearing requirements
- Client-directed execution and specific restrictions

4.5 Commission Rates

MSIM effects transactions based on commission rates for specific markets. These rates are negotiated periodically with each broker to ensure competitiveness by taking into account market trends and seek to strike a commercial balance between the quality of services provided in relation to order execution for our Clients. Commission rates are reviewed annually at a minimum. Where required by law or regulation, MSIM Ltd will absorb the cost of research for all MSIM Ltd mandates. Where relevant mandates are delegated in whole or part to other MSIM entities, the cost of research may be absorbed, where it is practical to do so bearing in mind any other applicable regulatory requirements.

5 Standard: Factors Impacting Best Execution

5.1 Factors

When effecting transactions for its Clients MSIM takes into consideration a number of factors (together referred to as the "Relevant Factors") including, but not limited to:

- price/spread
- cost of execution
- speed and likelihood of execution
- order size
- nature of the order
- broker or counterparty selection

- availability of liquidity
- likelihood of settlement
- market impact of the transaction
- MSIM's operational costs
- any other considerations that MSIM deems relevant to the transaction

MSIM will determine the relative importance of each factor using the following criteria:

- characteristics of the Client
- characteristics and nature of the transaction, including whether the Client has given specific instructions
- characteristics of the financial instruments
- liquidity of the financial instrument
- characteristics of the execution venues through which the transaction may be executed

5.2 Selection of Execution Venues

When selecting execution venues, MSIM takes into account all of the Relevant Factors which include the standard and quality of individual execution venues, and other factors that MSIM believes to be relevant to the efficient execution of Clients' orders. The list of approved Equity and Fixed Income execution venues is maintained by Trading Governance within the Office of the COO.

Trading in some financial instruments, may only be available via a limited number of execution venues. When such an instance occurs, it will be deemed that MSIM has obtained the best possible result if it effects a transaction through the available venues.

MSIM may use one or more of the following venue types:

- Regulated Markets
- Multilateral Trading Facilities ("MTF")
- Organised Trading Facility ("OTF")
- Systematic Internalisers
- Third party investment firms (including affiliates)
- Non-EU entities performing similar functions

When MSIM places an order with a broker for execution, MSIM will conduct the appropriate due diligence on the broker's venue selection process and monitor the execution of transactions effected by the broker.

6 Standard: Execution Policy

MSIM's trading desks seek to deliver an industry leading service that leverages a cohesive global trading platform. The objective of the trading desks are to achieve superior execution outcomes, reduce implicit costs (slippage/opportunity costs), and diminish explicit costs (commissions/exchange fees) using innovative trading solutions and strategies.

MSIM's trading desks execute transactions with approved brokers and trading venues listed in the ABL, and have the expertise to execute trades based on the objectives of MSIM's Clients.

MSIM traders weigh multiple factors when determining which approved broker or venue with which to execute any transaction. These factors include, but are not limited to:

- the reason for the trade (cash flow or strategic/fundamental security selection);
- the number of securities involved;
- the liquidity profile of the order; and
- indications of interest.

MSIM's multi-regional trading desks enable the Firm to leverage the location expertise and local market knowledge of its traders.

6.1 Equity

Broker-dealers are selected from the ABL based on their competitive pricing, access to liquidity, quality of service, access to markets, and their track record in executing MSIM's Client orders. MSIM utilises a variety of trading strategies and tools including strategic blocks, direct market access (via broker channels), algorithms, dark pools, and alternative trading systems. The utilization of multiple strategies aims to reduce implicit and explicit costs, and aims to increase sources and levels of liquidity.

6.2 Fixed Income / Convertibles

Broker-dealers are selected from the ABL based on their competitive pricing, access to liquidity, quality of service, access to markets, and their track record in executing MSIM's Client orders.

MSIM traders have the discretion to execute in such a fashion so as to achieve their primary objective of obtaining the best possible result when executing securities, taking into account the circumstances existing at the time of the trade. In order to do so, they may employ a number of trade strategies based on different factors, such as the type of instrument, market conditions, the size of the trade, among other considerations.

6.3 Money Market Instruments

Money market transactions are frequently large in nominal value and have short settlement periods. As a result, the selection of broker-dealers from the ABL will depend on factors such as: product offers, pricing, timely execution, settlement ability, capacity to trade in large volume, and access to sources of liquidity.

6.4 Foreign Exchange

When entering into FX forward transactions for Clients, brokers are selected from the ABL based on their competitive pricing, access to liquidity, variety of FX pairs, credit rating, track record in order execution, and

timely settlement capability. During times of execution, FX spot prices are monitored for best execution using price sources such as Reuters and Bloomberg.

6.5 Derivatives, OTC Derivatives and Tailored Products

The selection of broker-dealers for derivatives depends on, but is not limited to, the size of the transaction, the liquidity of the underlying instrument, counterparty and credit risk, and settlement and clearing capabilities.

When executing orders in OTC derivative products and tailored products, MSIM will ascertain the fairness of the price of the product. This is accomplished by gathering market data to estimate the price of such products and, where possible, by comparing the estimated price with prices on comparable products.

The availability of data used in the estimation of product prices may be impacted when transaction parameters exceed standard market sizes in times of restricted market liquidity, or in cases when a mere declaration of intention to transact may result in either market or price sensitivity. In such instances, it may not be possible to source a sufficient number of price estimates from the market.

As a result, MSIM shall determine what is likely to be the best method of execution by considering the aforementioned factors.

6.6 Fund of Funds

Available investment capacity in a capacity-constrained fund is allocated on a pro-rata basis as determined by an Investment Committee vote in accordance with portfolio guidelines, strategy, tax considerations, legal or regulatory considerations, and other relevant business considerations. Allocation rationale is documented in the Investment Committee minutes.

6.7 Client Directed Trades

When a Client provides MSIM with specific instructions in relation to a proposed transaction or any particular aspect of that transaction (including, but not limited to, a direction to execute on a particular venue or through a client-approved broker list) MSIM effects that transaction in accordance with those instructions. Specific instructions may prevent MSIM from following some or all of the steps outlined in this Policy. In such instances, MSIM is required to obtain the best possible result within the confines of the Client's instructions. To the extent that specific instructions are not comprehensive, MSIM will determine any non-specified components in accordance with this Policy.

7 Standard: Monitoring & Oversight

By using independent third-party transaction cost analysis (“TCA”) services, MSIM is able to monitor and analyse the implicit costs of transactions across equity and fixed income asset classes. This analysis enables MSIM to evaluate the quality of trade execution, the quality of the broker selection process, and the value of the investment manager’s decision process in an effort to better assess the value added to each trade placed for MSIM Clients.

7.1 Equity

A summary of TCA results are provided to the Global Equity Best Execution Committee, senior management and at the Independent Investment Review meeting. In addition to TCA, the committee reviews trends in trading activity, commissions, and other analysis, as applicable, to monitor the trading desks and validate best execution. The Global Equity Best Execution Committee has overall governance responsibility for overseeing policies, procedures and practices related to best execution for equity products.

7.2 Fixed Income and Money Market Instruments

Summary reporting is provided to the Global Fixed Income and Liquidity Best Execution Committees. The reports cover trends in trading activity, TCA (where applicable), and other relevant analysis that serve to validate best execution. MSIM monitors money markets transactions and fixed income trading capabilities of the brokers and intermediaries to identify those that consistently provide the best quality service and competitive price quotes.

7.3 Fund of Funds

MSIM regularly evaluates the fee structures of the underlying funds and the performance of the third party managers to ensure that the chosen portfolio of funds represents the best possible result for the relevant fund and its investors. The portfolio management team records their decision making process when selecting underlying funds for a portfolio.

7.4 Client Notification

MSIM will provide clients with sufficient information on this Policy and any changes in MSIM’s order execution arrangements will be reflected in this Policy. This Policy is made available on the MSIM website.

8 Policy Assurance Methods

8.1 Awareness Methods

This Policy is distributed via email to all Employees through the Monthly Compliance Bulletin, is posted on the Legal and Compliance Division (“LCD”) Portal and accessible via the Policy Portal. Employees in scope are also made aware of the Policy requirements through desk-based training.

8.2 Training Methods

LCD conducts mandatory training at various times in an employee lifecycle across conduct related issues. LCD provides training on policies and the business areas provide training on the underlying procedures.

8.3 Policy Adherence Monitoring

The Compliance Testing team provides risk prioritised, independent testing of gifts, entertainment and inducement related controls.

Employees must promptly escalate actual or potential violations of the Policy to LCD and/or the Integrity Hotline.

8.4 Update Requirements

This Policy is reviewed and approved in line with the annual requirements by the Head of Advisory Compliance, MSIM EMEA who also approves off-cycle changes. The efficacy of the order execution arrangements is reviewed on an ongoing basis and updated whenever a material change occurs.

9 Consequences of Violating the Policy

Your failure to comply with this policy may subject you to a range of disciplinary actions, up to and including termination of your employment.

10 Reference Information

10.1 Related Policies

All MSIM Trading policies including, but not limited to the following;

- Global Trade Aggregation and Allocation Policy and Procedure
- Investment Management Research Policy

11 Roles and Responsibilities

The MSIM Global Equity Best Execution Committee and Global Fixed Income and Liquidity Best Execution Committees have overall responsibility for overseeing policies, procedures and practices related to best execution for their respective asset classes.

Their respective responsibilities include, but are not limited to, the below.

- Review broker-related performance.
- Establish standards for the review of best execution performance.
- Review TCA data (highlighting enhancements where required).
- Review operational quality and metrics supporting best execution.
- Review Compliance related matters as relevant.

12 Record Keeping Requirements

Records are retained in accordance with Morgan Stanley’s Global Information Management Policy which establishes general firm-wide standards and procedures regarding the retention, handling, and destruction of official books and records and other information of legal or business significance.

The Morgan Stanley Global Information Management Policy incorporates Morgan Stanley’s Master Retention Schedule, which lists various record classes and associated retention periods on a Global basis.

13 Policy Governance

Effective Date	October 14, 2020 (updated February 13, 2023)
Owner	Head of Advisory Compliance, MSIM EMEA
Approver	Head of Compliance, MSIM EMEA
Contact Information	EMEA_IM_Advisory_Compliance
Intranet Location	http://policyreview/2000535

14 Glossary

TERM	DEFINITION
"ABL"	Approved Broker List
"Clients"	Discretionary clients or mutual funds managed by Morgan Stanley Investment Management
"FCA"	Financial Conduct Authority
"FCA Rules"	Set of principles and rules produced and published by FCA including FCA's Handbook
"ISDA"	International Swaps and Derivatives Association Agreement
"LCD"	Legal and Compliance Division
"MSFTA"	Master Securities Forward Transaction Agreement
"MSIM"	Morgan Stanley Investment Management Limited
"Multilateral Trading Facility"	As defined in Directive 2014/65/EU on markets in financial instruments
"Organised Trading Facility"	As defined in Directive 2014/65/EU on markets in financial instruments
"OTC"	Over-the-counter
"Policy"	Order execution policy of Morgan Stanley Investment Management
"Regulated Markets"	As defined in Directive 2014/65/EU on markets in financial instruments
"Systematic Internalisers"	As defined in Directive 2014/65/EU on markets in financial instruments
"TCA"	Transaction Cost Analysis
"TRG"	Trading and Research Governance team