Morgan Stanley

INVESTMENT MANAGEMENT

Morgan Stanley Fund (UK)

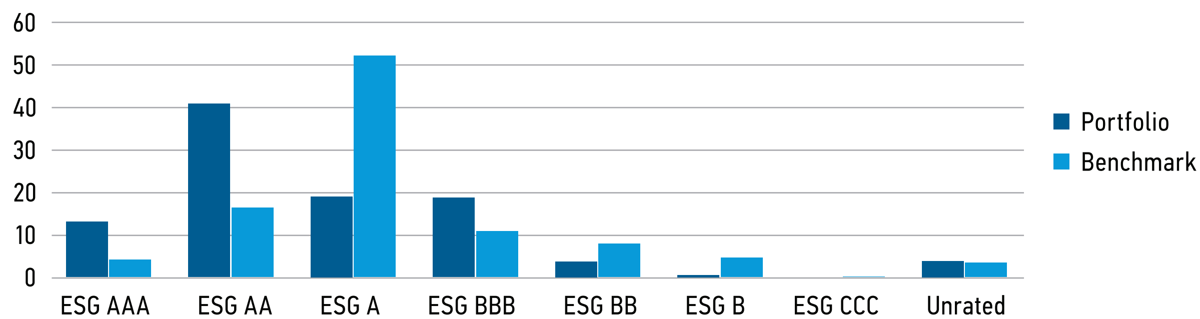
Sustainable Fixed Income Opportunities Fund

ESG FACTCARD | 31 DECEMBER 2023

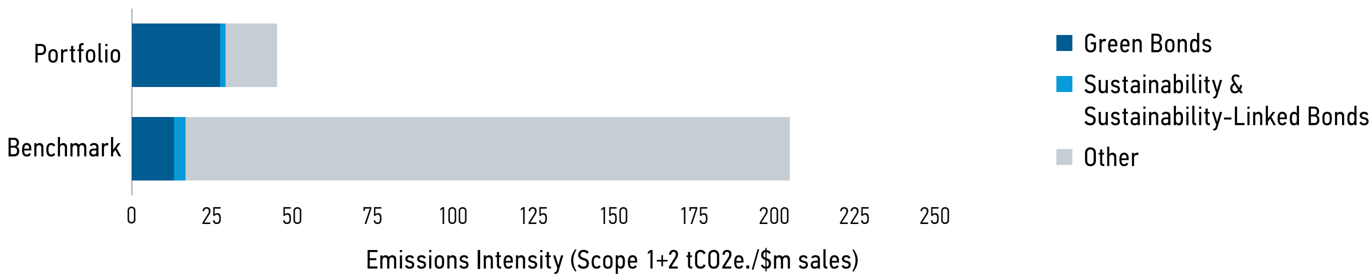
Key ESG Indicators[1]

ESG METRIC[1]	FUND	BENCHMARK
MSCI ESG Score (Adjusted) (Wt avg, 0-10, 10 is best)[2]	7.5	6.3
Sovereign ESG Score (Wt avg, 1-5, 5 is best)[3]	3.2	2.7
Emissions Intensity (Scope 1+2 tCO2e./$m sales)[2]	45.2	205.1
Emissions Intensity (Scope 3 tCO2e./$m sales)[2]	464.0	727.6
Low Carbon Transition Score (Wt avg, 0-10, 10 is best)[2]	6.5	6.0
Green Bonds (%)	14.4	1.6
Social, Sustainability, Sustainability-Linked Bonds (%)	5.4	1.0
Sustainable Impact Solutions (≥5% revenue, ex. Green/Sust. bonds) (%)	6.6	8.2
SBTi Approved or Committed Targets (%)	19.4	8.5

MSCI ESG RATINGS DISTRIBUTION (%)[4]



Carbon Profile – Corporates[2]



Source: MSIM, MSCI. Data as of 29th December 2023. Benchmark: Bloomberg Global Aggregate Index.

[1] ESG ratings are not intended as a recommendation and are subject to change. Ratings are relative and subjective and are not absolute standards of quality. Ratings apply only to portfolio holdings and do not remove the risk of loss.

[2] Data refers to corporate bonds only, normalised. MSCI ESG Score (Adjusted) is normalised for corporate bonds, supranationals and government-related agencies.

[3] Sovereign ESG Score is based on a proprietary methodology, and is normalised for sovereign holdings only.

[4] MSCI ESG Ratings Distribution refers to corporate, sovereign, supranational and agency bond holdings (rebased to 100%), excluding securitised investments and cash.

Methodology Notes: MSCI ESG Score (Adjusted) is a portfolio-level weighted average. Emissions Intensity is reported as the portfolio's weighted average carbon intensity (WACI) as a proportion of sales. Scope 1 refers to direct carbon emissions generated from sources that are controlled by the company. Scope 2 refers to indirect emissions from the consumption of purchased electricity, steam, or other sources of energy. Scope 3 refers to all other indirect emissions (not included in scope 2) that occur in the value chain of the company, both upstream and downstream. Green and other labelled sustainable bonds and Sustainable Impact Solutions are presented as portfolio % market value allocated to each category. Sustainable Impact Solutions refers to companies deriving ≥5% revenue from products or solutions such as alternative energy and green buildings, and do not violate the UN Global Compact - this value excludes Green and other labelled sustainable bonds from the calculation. Low Carbon Transition Score is a portfolio-level weighted average, and refers to a company's level of alignment with the low carbon transition. SBTi (Science Based Targets Initiative) Approved or Committed Targets refers to the portfolio market value allocated to corporate holdings that have committed to or have an approved science-based emissions reduction target. Carbon Profile refers to Emissions Intensity (Sales, scopes 1 and 2), and demonstrates the emissions contribution of each category to the overall emissions intensity.

Risk Considerations

There is no assurance that a Fund will achieve its investment objective. The Fund is subject to market risk, which is the possibility that the market values of securities owned by the Fund will decline. 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. Accordingly, you can lose money investing in this Fund. Please be aware that this Fund may be subject to certain additional risks. **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 Fund may generate less income. **Longer-term securities** may be more sensitive to interest rate changes. **Mortgage-and asset-backed securities** are sensitive to early prepayment risk and a higher risk of default and may be hard to value and difficult to sell (liquidity risk). They are also subject to credit, market and interest rate risks. **Municipal securities** are subject to early redemption risk and sensitive to tax, legislative and political changes. **High yield securities ("junk bonds")** are lower rated securities that may have a higher degree of credit and liquidity risk. **Public bank loans** are subject to liquidity risk and the credit risks of lower rated securities. **Foreign securities** are subject to 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. **Derivative instruments** may disproportionately increase losses and have a significant impact on performance. They also may be subject to counterparty, liquidity, valuation, correlation and market risks. **Restricted and illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). **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 favour in the market. As a result, there is no assurance ESG strategies could result in more favourable investment performance.

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