

Morgan Stanley Investment Management (ACD) Limited

Morgan Stanley Funds (UK) Global Quality Select Fund ("the Fund")

FCA Product Reference Number ("PRN"): 914072

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This document provides sustainability information for consumers in relation to the Fund.

Sustainable investment labels help investors find funds that have a specific sustainability goal. This Fund does not have a UK sustainable investment label because it does not have a sustainability objective in line with the Financial Conduct Authority's Sustainability Disclosure Requirements ("SDR"). However, the Fund's investment approach takes into consideration sustainability characteristics as detailed below.

Sustainability Approach

Non-financial objective

The investment manager will apply ESG criteria that seeks to achieve a greenhouse gas (GHG) emissions intensity for the Fund that is 50% lower than the reference universe.

For this Fund, GHG emissions is defined as Scope 1 and 2 emissions. The term reference universe is only used for the purposes of comparing the Fund's GHG emissions intensity and comprises companies within the MSCI AC World Index.

ESG integrated in the investment process

As part of the investment process, the investment manager seeks to identify and assess factors that are potentially financially material to long-term sustainably high returns on operating capital employed. This includes environmental, social and governance (ESG) factors.

ESG factors are not the sole determinant of whether an investment is made, or a company remains in the portfolio. The investment manager will, if relevant, take them into account when investment decisions are made.

Engagement with companies

The investment manager believes engaging with companies is a valuable part of the research process. This includes engaging with companies on potentially financially material ESG factors. Engagement, where relevant, is one input in the investment manager's assessment of whether a company can and/or will maintain its high returns on operating capital employed while growing the business over the long term.

Investment restrictions

GHG emissions related restrictions and additional investment restrictions are applied to the Fund.

Further details are provided in the Fund's Prospectus and in the Sustainability Metrics section below.

Sustainability Metrics

The table below summarises the Fund's performance against relevant metrics in relation to its sustainability characteristics:

Glossary for this Fund

Investment manager the company who oversees and makes decisions about what the Fund invests in.

Greenhouse gas (GHG) is defined by the GHG protocol (<https://ghgprotocol.org/>) and includes carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) calculated in metric tonnes of CO₂ equivalent.

Scope 1 emissions are direct emissions from company-owned or controlled sources.

Scope 2 emissions are indirect emissions from the generation of purchased energy.

Scope 3 emissions are all indirect emissions (excluding Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. For the avoidance of doubt, Scope 3 emissions are not included in the Fund's non-financial objective.

Potentially financially material factors are risks or opportunities that could have a material impact – positive or negative – on the financial performance and value of a company, which the investment team generally views from the perspective of returns on operating capital employed. This can include ESG factors.

Return on operating capital employed is a ratio that helps the investment team to assess how well a company is generating profits from the capital it is spending.

Sustainability Metrics	Metric Threshold	Metric Value
GHG emissions-related restrictions		
% of the Fund invested in companies which:		
Have any tie to fossil fuels (such as oil, gas and coal) as defined by the investment manager's third-party data provider	0%	—
Have been assigned any of the following sectors or industries under MSCI Global Industry Classification Standards (GICS): energy, construction materials, utilities (excluding renewable electricity and water utilities), or metals and mining	0%	—
For which GHG emissions intensity data and/or estimates are not available and/or cannot be estimated	0%	—
Additional investment restrictions		
% of the Fund invested in companies which have revenues above the thresholds defined by the investment manager related to the following business activities, as classified by the investment manager's third-party data provider:		
Tobacco: production, distribution, retail, licensor or supplier of tobacco products (>5% revenue)	0%	—
Alcohol and related activities (as defined by the third-party data provider) (>10% revenue)	0%	—
Adult entertainment: production, distribution or retail of adult entertainment products or services (>10% revenue)	0%	—
Gambling: gambling operations, including online or mobile gambling, and supporting activities (>10% revenue)	0%	—
Civilian firearms: production, wholesale or retail of firearms and ammunition intended for civilian use as defined by the data provider (>10% revenue)	0%	—
Weapons: production of conventional, biological or chemical, nuclear weapons and blinding laser, incendiary or non-detectable fragments weapons and related activities as defined by the data provider (>10% revenue)	0%	—
depleted uranium: production of depleted uranium weapons (>0% revenue) or through indirect ownership as defined by the data provider.	0%	—
% of the Fund invested in companies which:		
Have any tie to controversial weapons as defined by the investment manager's third-party data provider	0%	—
Have been assigned any of the following sectors or industries under MSCI GICS: tobacco, casinos & gaming, brewers, or distillers & vintners	0%	—

Sustainability Metrics	Metric Threshold	Metric Value
GHG Emissions intensity		
The investment manager will apply ESG criteria that seeks to achieve a GHG emissions intensity for the Fund that is 50% lower than that of the reference universe (which term is used only for the purposes of comparing GHG emissions intensity and comprises companies within the MSCI AC World Index).	50%	—

Sustainability Metrics	Metric Threshold	Metric Value
Reference universe reduction		
After applying the three GHG emissions-related restrictions described above, the remaining issuers will then be ranked according to their GHG emissions intensity data and/or estimates in tonnes CO ₂ e/\$M revenue, and those with the highest intensity shall be excluded from the reference universe. The GHG emissions-related restrictions should collectively result in a reduction of the reference universe by at least 20%.	20%	—

These metrics will be updated with actual values, when the Fund publishes its first annual SDR Sustainability Report.

Further Details

Further information on the Fund, including the Fund's Prospectus, the Fund's Annual Report, the Key Investor Information Document (which includes information on the Fund's costs and charges), the Fund's SDR Sustainability Report (once available), and other relevant information can be found here: <https://www.morganstanley.com/im/en-gb/intermediary-investor/funds-and-performance/morgan-stanley-funds-UK/equity/global-quality-select-fund.html>