Morgan Stanley

INVESTMENT MANAGEMENT

Sustainable Investing Policy

MARCH 2022

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1 Executive Summary

Morgan Stanley Investment Management ("MSIM") is a global investment manager delivering innovative investment solutions across public and private markets worldwide.[1] MSIM has been creating value for our clients for over 40 years and operates in more than 20 countries.

This Policy applies to MSIM's public and private markets investment teams and regional entities and, specifically, the provision of portfolio management/investment advisory and fund management services for MSIM-branded funds.

MSIM comprises several independent investment teams and asset class platforms. The specific approach to sustainability deployed by each portfolio management team will depend on multiple factors including, but not limited to, the objectives of the product, asset class and investment time horizon, as well as the specific research and portfolio construction, philosophy and process used by that team. Investment teams deploy their skill and judgment in assessing the materiality of ESG-related risks and opportunities as appropriate for each investment strategy.[2]

MSIM's investment teams act as responsible long-term investors and are responsive to environmental, social and governance ("ESG") factors that can present both risks and opportunities to investment portfolios in a manner that is consistent with our fiduciary duties and the investment strategies of our clients. MSIM's commitment to sustainability is expressed in three key ways:

- **Stewardship and Engagement:** investment teams employ the shareholder rights and stakeholder influence that MSIM exercises on behalf of its clients to encourage, where relevant, strong ESG practices with issuers, borrowers, and counterparties.
- **ESG Integration Across All Asset Classes:** thoughtful consideration of material ESG factors as appropriate for MSIM's investment strategies and asset classes.
- **Sustainable Investing Solutions:** providing our clients with investment solutions that are aligned with their returns objectives alongside their sustainability preferences and needs.

MSIM's Sustainable Investing business agenda and activities are guided by the following principles which are more fully outlined in the relevant sub-sections below:

- **Governance:** We maintain internal governance structures and resources that work to advance Sustainable Investing across our business activities.
- **ESG Integration:** We are committed to considering and incorporating material ESG issues (including both risks and opportunities) when evaluating investment opportunities across both public and private markets.
- **Sustainable Funds:** Beyond ESG integration, we are committed to providing clients with investment solutions that provide intentional exposure to sustainability as an investment theme or themes.
- **Stewardship, Engagement and Voting:** We seek to encourage and partner with our portfolio companies during the period of ownership of their securities to improve both financial and sustainability performance.
- **Advocacy and Collaboration:** Where relevant, we seek to collaborate with industry peers and standard-setting organizations to advance Sustainable Investing practices.
- **Ongoing Training:** We recognize that the impact of sustainability factors on the economy and our investments and assets is rapidly evolving. As such, we are committed to a culture of ongoing learning and improvement through our training programs.
- **Reporting and Transparency:** We foster transparency by providing our stakeholders with the appropriate level of information on sustainability.

[1] Morgan Stanley is the parent company of MSIM. References to "Morgan Stanley" or the "Firm" in this Policy refer to the parent company and its consolidated subsidiaries, including MSIM. In some instances, MSIM may leverage or be a part of Morgan Stanley's processes and/or initiatives related to Sustainable Investing.

[2] Some investment strategies do not integrate ESG where it is not currently feasible or appropriate to do so, e.g. passive investment strategies, certain asset allocation strategies, or where requested by clients.

2 Sustainability Governance

We view effective management of sustainability issues as a core component of our business strategy and continue to evolve our philosophy as we believe it is fundamental to the long-term success of our organization and our ability to deliver value for our clients. We have established the appropriate governance systems, risk management and controls to support our intention to integrate sustainability considerations across our business.

MSIM Sustainability Council

MSIM's Sustainability Council is chaired by the Global Head of Sustainability for Investment Management. The Council consists of a group of investment leaders and senior, cross-functional business leaders who oversee and guide MSIM's support for the sustainable investment strategies of each investment business, including: promoting definitions and frameworks for Sustainable Investing (as defined below); supporting the continued innovation of ESG products and solutions; championing Sustainable Investing (as defined below) across MSIM's staff and culture; and ensuring business readiness for evolving client/regulator demands. The Council is responsible for this Sustainable Investing Policy, which it reviews at least annually to ensure that it accurately reflects the philosophy and processes that govern MSIM's sustainability strategy.

Sustainable Investing Team Leads

It is the investment teams' responsibility to define their approach to ESG integration. Each of our largest investment teams or asset class platforms has appointed at least one dedicated Sustainable Investing/ESG research specialist to co-ordinate and support this work for the relevant group. A key responsibility of these specialists is to work with the portfolio managers in their respective team to help ensure strong ESG integration, in line with each team's investment philosophy and strategy. Other elements of the role include supporting investment staff to continuously enhance ESG integration in investment processes through research, training, knowledge-sharing, helping define methodology and resourcing for dedicated Sustainable Funds (where relevant), engagement with investee management teams, and representing their asset class/team in client meetings, consultant meetings and other forums and groups as necessary.

MSIM Sustainability Team

The MSIM Sustainability Team acts as a centralized support resource for MSIM's portfolio managers, investment professionals and Sustainable Investing/ESG research specialists—who are responsible for devising appropriate ESG policies for their investment strategies and for evaluating risks and opportunities for their investments, including analysing relevant ESG issues at industry, company and portfolio levels.

The MSIM Sustainability Team is responsible for implementing MSIM's sustainability business efforts and governance processes, supporting and working with MSIM's investment teams on enhancements to their ESG investment integration practices, helping to launch Sustainable Funds, advising clients on sustainability matters, and producing sustainability data, tools and research to support our investment teams. The team partners with the Sustainable Investing leads on each of our investment platforms to coordinate global Sustainable Investing initiatives and continually enhance ESG integration practices, and aims to deliver best-in-class sustainability products and solutions. The MSIM Sustainability Team also includes the MSIM Global Stewardship function, which supports and where relevant, coordinates our stewardship and investee engagement agenda and activities alongside our investment teams.

The MSIM Sustainability Team is led by the Global Head of Sustainability for Investment Management, who co-reports to the Vice Chairman and Head of Strategic Partnerships and to the CIO and Co-Head of Multi-Asset Solutions, the senior sponsors for MSIM's Sustainable Investing efforts on the firm's Operating Committee. The Global Head of Sustainability for Investment Management also co-reports to Morgan Stanley's Chief Sustainability Officer.

Morgan Stanley Institute for Sustainable Investing and Global Sustainable Finance Group

MSIM's Sustainable Investing efforts are also supported by Morgan Stanley's decade-plus commitment to sustainable finance and Firm-level resources. The Morgan Stanley Institute for Sustainable Investing and the Global Sustainable Finance ("GSF") group are positioned at the nexus of the Firm's three business pillars (i.e. Institutional Securities Group, Wealth Management, and MSIM), and serve as expert resources and partners on innovation, knowledge sharing and thought leadership across the Firm. The GSF group regularly advises MSIM on product development and ESG data analysis, collaborates on thought leadership, and partners on internal knowledge-sharing and external industry collaborative efforts.

Accountability and Incentives

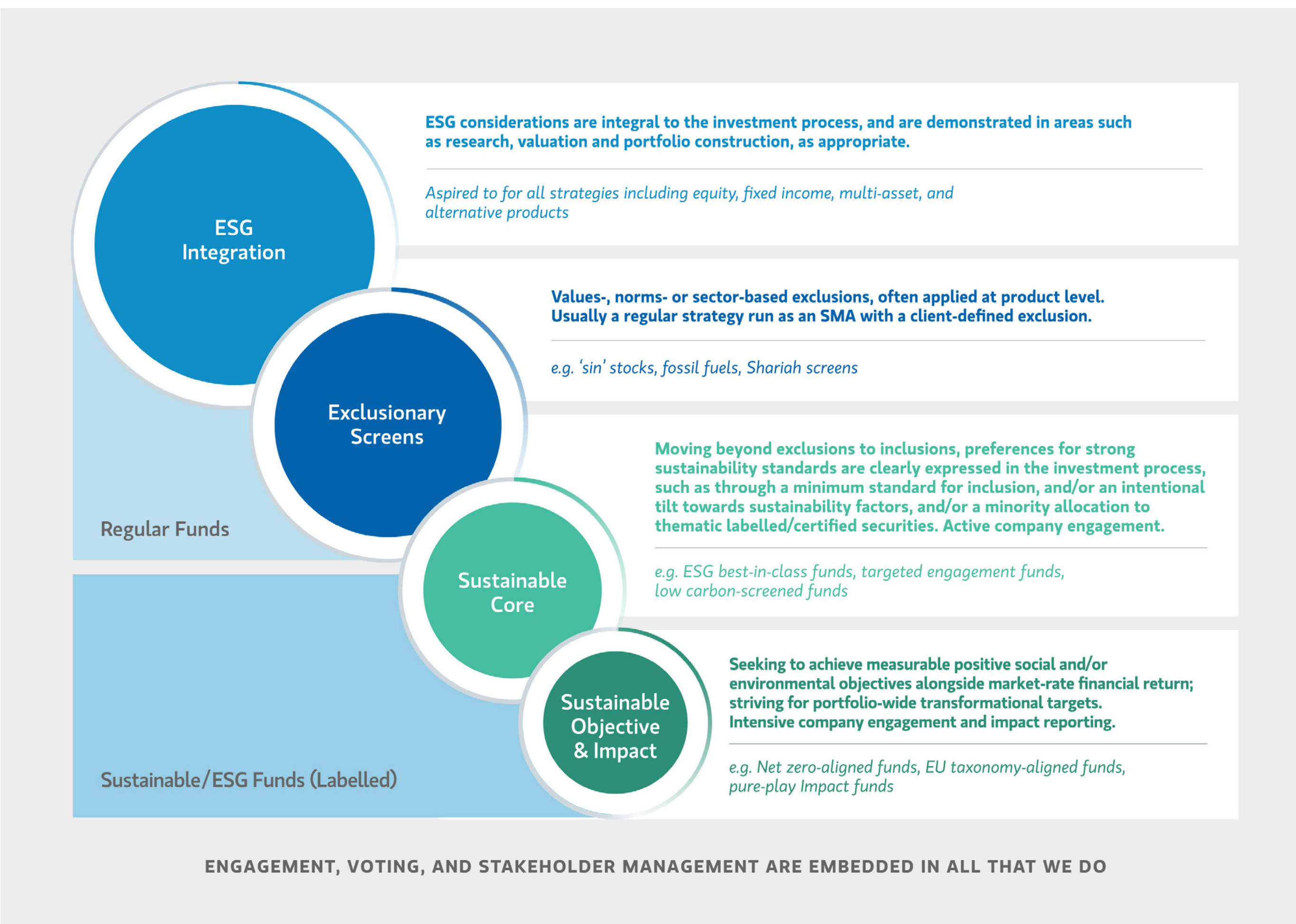
Where required by regulation, our local entities have adopted remuneration policies to promote sound and effective risk management with respect to sustainability risks, and which do not encourage excessive risk-taking with respect to sustainability risks.

3 Sustainable Investing Framework

We define "Sustainable Investing" as a spectrum of practices that uses ESG information and criteria to deliver returns for clients and shape dedicated investment solutions. We believe that, due to a variety of forces, ESG factors are generally gaining increased significance as a material contributor towards both risk mitigation and long-term investment returns. Such ESG factors also have a growing influence on the availability of new investment opportunities. To that end, we are committed to considering and incorporating material ESG issues (including both risks and opportunities) when evaluating investment opportunities across both public and private markets. We seek to leverage our influence as investors to drive better investment performance on behalf of our clients from improved sustainability practices and outcomes. MSIM offers a variety of Sustainable Investing options, from funds that integrate ESG factors as an intrinsic part of the investment process, to MSIM labelled Sustainable Funds that seek to achieve attractive financial returns alongside positive environmental and/or social impact ("Sustainable Funds").

Sustainable Investing is an over-arching term used to describe several varieties of implementation approach. We have developed a framework to articulate how Sustainable Investing can be implemented across various investment strategies to provide a clearer view of what we do for our clients and stakeholders.

All our investment teams strive to implement ESG integration in managing their portfolios as best suited to their given investment strategies. Investment teams may also deploy a variety of analytical and portfolio construction approaches which extend beyond ESG integration and which define a given strategy as an MSIM labelled Sustainable Fund.



4 Sustainable Funds

MSIM defines a labelled "Sustainable Fund" as a portfolio that is driven, in part, by a strong philosophical conviction in sustainability as a secular economic growth trend or as a source of investment performance and implemented through a pooled vehicle and/or a separately managed account structure. Our MSIM labelled Sustainable Funds demonstrate this through the following implementation levers:

- Inclusionary approaches based on relevant sustainability factors. This could be implemented using fundamental ESG data or derived ESG ratings/scores/rankings in a variety of ways—for example, selecting relatively stronger or best-in-class investees/assets, setting a minimum performance standard for investees/assets, identifying thematic exposures, or using ESG information to define a target set of investees/assets with potential for improvement;
- Baseline exclusions for controversial or sensitive sectors or assets, with some of the more concentrated Sustainable Funds applying relatively more extensive exclusions; and
- Strong and active engagement and stewardship activities, where explicit objectives are set and outcomes tracked.

MSIM is committed to providing clients with a broad spectrum of thematic Sustainable Funds across both public and private markets. MSIM strives to provide quantifiable metrics and reporting for Sustainable Funds, as data access and discoverability improve over time.

5 Integration of ESG Factors

Macro sustainability trends present a growing set of risks and opportunities to investors. Leveraging ESG information can assist to better identify the materiality of those risks and opportunities. MSIM adopts a tailored approach to ESG integration whereby investment teams are ultimately responsible for exercising their judgment to identify and integrate materially relevant sustainability risks and opportunities into their investment decision-making process, including due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring. In doing so, they leverage ESG and other information and insights in a way that is best suited to the specific investment philosophy, asset class, and time horizon of a given strategy or product.

Examples of the ESG factors that can be relevant to our investment teams include:

FACTOR	RISK	OPPORTUNITY
Climate Change	• Transition risk • Physical risk	• Financing the low carbon transition • Renewable and clean technologies • Nature-based climate solutions
Natural Resources	• Rising costs from resource scarcity or resource usage taxes • Systemic risk from biodiversity loss	• Financing the use of alternative materials • Resource efficiency and regeneration technologies
Pollution and Waste	• Liabilities associated with pollution and contamination • Waste management costs	• Financing the circular economy • Waste disposal technologies
Human Capital	• Declining employee productivity, attrition, turnover costs • Supply chain reputational risks or disruption from unrest or non-compliance	• Improving employee productivity, satisfaction and retention • Supply chain productivity and efficiency
Customers	• Acquiring liabilities from harmful or faulty products • Recalls, loss of access to markets	• Product innovation to address emerging concerns, e.g. healthy lifestyles, privacy protection, sustainability labels • Resilient profit margins through stronger brand value
Communities	• Loss of license to operate • Operational disruptions caused by protests/boycotts • Systemic inequality and instability	• Financing opportunities to increase access in underserved markets to healthcare, communication, nutrition and financial products and services

Investment teams may leverage any of the following types of information and resources to support ESG integration activities:

A) Company disclosed information (which may include a company's quarterly financials, earnings calls, general company reporting and/or disclosures, including sustainability-related disclosures)

B) Non-company disclosed information (such as news reports or industry data)

C) Third-party research and data

D) Engagement with company management

E) Other data sourced through bespoke due diligence

Public Markets Investing

We believe that ESG integration supports our ability to manage risk and generate returns through investing in public securities, where ownership is diffused, markets are highly liquid, and company management teams act with delegated agency on behalf of investors. In this context, the practices that constitute robust ESG integration focus on the use of ESG information to: enhance research and due diligence that underpins security analysis and valuations, inform asset allocation and portfolio construction, construct or optimize against investment benchmarks, and guide stewardship and engagement agendas.

EQUITIES

MSIM's Equities teams comprise generalists as well as sector or regional specialists who assess materiality of ESG factors and utilize company-level research to develop investment strategies that create and capture value while reducing risk. The Equities teams view the engagement with senior management of companies to be an integral component of their role as long-term owners, including engagement on material ESG issues. Investment teams also actively exercise proxy voting rights in support of the investment thesis for a given stock.

FIXED INCOME

Our Fixed Income teams apply proprietary assessment and scoring methodologies that are bespoke to Fixed Income asset classes, focussed on corporate, sovereign and securitized issuance. Additionally as part of a bottom-up, fundamental research process, and in our engagements with issuers, we incorporate an assessment of sustainability-related risks and opportunities into the assessment process to determine impacts on credit fundamentals, implications for valuation and spreads, and any material aspects that may affect the trading technicals of the bonds.

Our Fixed Income teams also deploy a proprietary assessment framework for labelled thematic sustainable bonds, through which the robustness, impact and transparency of such instruments are evaluated.

LIQUIDITY

For our Liquidity portfolios that incorporate ESG factors, our focus is on minimizing sustainability-related risk, in particular those which may materialise as headline risk and which may impact the price of securities or their liquidity. Governance is typically the strongest ESG driver of portfolio risk and return in money markets, given the short duration of the paper we invest in. As liquidity investors, we rely heavily on management teams' controls to avoid involvement in fraud or corruption, and to execute on their commitments. We also view good governance as the foundation stone of strong sustainability fundamentals, reflected in robust policies and business practices on environmental and social issues.

MULTI-ASSET

Certain of our Multi-Asset portfolios integrate ESG factors contingent on asset class and style of investing. As an example, for quant investing, we may optimise the portfolio by using ratings or scores balanced against other risk/return objectives. For customized portfolio solutions, we may review ESG factors to assess impact on asset allocation and/or customize a basket of securities or funds according to the particular sustainability preferences of the client. The Multi-Asset team also conducts thematic engagements on materially important environmental and/or social issues facing companies in order to ensure that the target companies follow good governance practices.

Private Markets Investing

We believe that ESG integration supports our ability to manage risk and generate returns through investing in private markets, where ownership and operational control is directly held (whether majority or minority), assets are generally illiquid, holdings periods are multi-year, and information is often difficult to obtain. In this context, the practices that constitute robust ESG integration focus on the use of ESG information to: enhance the pre-investment due diligence and information discovery that underpins valuations, highlight go/no-go issues in investment selection and deal structuring, inform priorities for post-investment management or operational improvements, and, where applicable and consistent with governance, support the exercise of influence as an owner.

PRIVATE REAL ESTATE

Morgan Stanley Real Estate Investing ("MSREI") teams evaluate ESG risk and opportunity factors identified during pre-investment due diligence, and report the most material ESG issues along with recommendations to the Investment Committee. During the ownership phase, where feasible, we develop ESG action plans to improve the environmental and social impact of direct real estate ownership. We conduct regular reviews of assets to assess greenhouse gas ("GHG") emissions as well as energy, water and waste consumption. These reviews may include an energy audit, a green building certification gap analysis, tracking of sustainability performance data (energy use, GHG emissions, water use and waste) and identification of measures that will improve sustainability performance, such as renewable energy installations, energy efficiency projects and investing in emission reduction technologies. Finally, for select MSREI funds we report annually to the Global Real Estate Sustainability Benchmark (GRESB).

PRIVATE INFRASTRUCTURE

Morgan Stanley Infrastructure Partners ("MSIP") is committed to actively managing ESG issues throughout the investment lifecycle for each asset. The MSIP investment teams evaluate ESG risk and opportunity factors identified during pre-investment due diligence, and reports material ESG issues along with recommendations to the Investment Committee. Post-closing, MSIP works with portfolio companies to define and implement strategic goals. As part of this process, the investment team may conduct ESG audits and reviews, and implement mitigation plans to address key ESG issues identified through due diligence. Throughout the investment lifecycle, we measure and monitor ESG performance and ensure ESG processes and procedures are effectively managed. Finally, for select MSIP funds, we report annually the Global Real Estate Sustainability Benchmark (GRESB) and publish an annual ESG report.

PRIVATE CREDIT AND EQUITY

The strategies within Private Credit and Equity consider ESG risks and opportunities throughout the investment lifecycle starting in the investment due diligence phase, where investment teams seek to identify ESG risks and value drivers, and continuing through to the post-investment phase where investment teams seek to partner with investees to maximize ESG opportunities and value drivers. ESG issues identified in the due diligence phase may influence the deal team's overall valuation of the investment, deal structure and contract negotiations. Once an investment is completed, the investment teams monitor sustainability performance and risks where possible with the aim of maximizing value at exit. Investment teams seek to engage with investees and relevant stakeholders to encourage ongoing improvement of sustainability practices. In some cases, investment teams may track improvement across a range of ESG factors using key performance indicators and established work plans.

FUND-OF-FUNDS AND ALTERNATIVES

The consideration of ESG risks and opportunities is integrated into external manager due diligence in our fund of funds business. Manager due diligence includes an analysis of commitment to ESG integration as assessed through policies and governance structures, an analysis of the extent to which ESG integration is factored into the investment process, and an assessment of how external managers manage diversity and inclusion and sustainability in their own business operations. In cases where MSIM is making a co-investment with an external manager, ESG due diligence is performed on both the underlying investment and the co-investing manager. Where appropriate, MSIM teams may provide support and resources to external managers to help them enhance their approach to ESG integration and sustainability.

Approach to Sustainability Risk

We recognize that various sustainability factors can pose actual or potential material risks to our investments at the individual asset and portfolio levels. These risks include, but are not limited to, climate change transition and physical risks; natural resources depletion; waste intensity; labor retention, turnover and unrest; supply chain disruption; corruption and fraud; and human rights violations. We also recognize that the universe of relevant risks may grow and evolve over time as the universe of sustainability factors considered relevant to the investment community also grows. The materiality of such risks on an individual asset and on a portfolio as a whole depends on industry, country, asset class, and investment style. Sustainability risks can materialize for assets and investments in a range of ways, for example: impaired or stranded asset values, increased operational costs, unforeseen liabilities and penalties, loss of access to markets/customers, and reputational damage. Investment teams are the first line of defense for identifying, understanding, and mitigating potential sustainability risk in portfolios.

For public markets portfolios, the MSIM Global Risk & Analysis (GRA) team also conducts top-down sustainability investment risk analysis. This includes sustainability risk exposures (using third party ratings and data), controversial business exposures, UN Global Compact compliance, and the potential impact of different climate change and transition risk scenarios. The GRA team monitors this information regularly and compiles a monthly firm risk dash board for senior management, and portfolio-level risk reports are also available to the investment Teams. Furthermore, as needed and requested, the Sustainability Team and GRA Team collaborate with the investment teams to conduct analyses on the sustainability risk of select portfolio themes and companies.

For private funds, the investment teams are responsible for conducting due diligence, on material issues relating to a proposed investment, which may include, for example, the ongoing monitoring of energy, greenhouse gas, water and waste data and implementation of any asset-relevant initiatives. ESG issues or opportunities are raised and reviewed as part of the Investment Committee process as confirmed in the Investment Committee checklist. ESG risks and opportunities are continuously evaluated as part of asset management activities. The investment teams also coordinate with the Firm's Environmental and Social Risk Management ("ESRM") group to address any potential environmental and social due diligence considerations that may cause material harm and/or pose reputational risk to the Firm, as per the Morgan Stanley Environmental and Social Risk Management Policy. This allows potential significant concerns to be escalated to the Firm Franchise Committee as relevant. Finally, for our Infrastructure and Real Estate Investing strategies, our teams seek to maintain insurance coverage against liability to third parties and property damage in amounts and on terms that it considers customary and appropriate for its business.

Principal Adverse Impact Monitoring

Given our role as a global investment manager, we recognize that an unintended consequence of some of our investments may include some level of adverse impact on broader systemic sustainability factors such as environmental matters, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

We acknowledge that the systemic nature of sustainability issues, where relevant to a given investment strategy, needs to be addressed in a coordinated and concerted manner across the value chain. Through our Sustainability Team and GRA Team, we look at the portfolio holdings in all MSIM's long-term funds and assets to facilitate this holistic approach and, based on the balance of exposures and potential market influence, periodically define areas of potential principal adverse impact which may require attention. For example, these include potential contributions to:

(i) the increase of greenhouse gas emissions and systemic climate risk;

(ii) the increased use of finite natural resources;

(iii) the volume of hazardous and non-recyclable waste; and

(iv) violations of social norms and employee rights.

We use reasonable efforts to obtain the required data to monitor these potential impacts, and to understand any remediation efforts undertaken by companies. Portfolio managers maintain discretion over the extent to which the outcomes of this due diligence affect buy/sell decisions, portfolio construction, and ongoing engagement and asset stewardship.

We look to mitigate such potential adverse impacts through a combination of actions including investment teams' engagement with investee management, our global stewardship program, our thematic research, and our collaborative efforts in the broader investment industry. Additionally we strive to adhere to several normative business conduct codes and standards. The Portfolio Surveillance team monitors for potential violators of the principles enshrined in the United Nations Global Compact and OECD Guidelines when this requirement is disclosed in the investment policy of a portfolio. If a potential violation occurs, the Portfolio Surveillance Team will notify the relevant investment team and the Sustainability Team. The investment team can then engage with these companies on remediation strategies. MSIM is committed to the principles-based framework for responsible investing as a signatory to the Principles for Responsible Investment. We also adhere to the governance standards published by the International Corporate Governance Network, implement the Japan Stewardship Code and other regional stewardship codes, and seek to implement the UK Stewardship Code in our approach to investing. Additionally, for certain products in our private fund range, we adhere to IFC Performance Standards.

Finally, the collaboration of our private markets investing businesses with the Firm's ESRM group to identify and address potential environmental and social sensitivities, as outlined in the Morgan Stanley Environmental and Social Risk Policy, also supports MSIM's monitoring and mitigation of potential principal adverse impacts.

6 Stewardship, Engagement and Voting

We believe stewardship activities are integral to our role as active long-term investors as they enable us to encourage companies and issuers to improve their performance on a range of sustainability issues. This can encompass a full range of topics that affect the long-term value of a business or asset, including strategy, capital structure, operational performance and delivery, risk management, pay and corporate governance. This helps us manage risk in the near and long-term, enhance our understanding of our investee companies/issuers, and, where relevant, create positive sustainable outcomes—all of which can benefit our clients.

The investment teams across our public fund range who manage active investment portfolios with ESG integration apply an active approach to stewardship. In particular we focus on governance as we believe that good management is a hallmark of a company/issuer which can produce long-term sustainable returns for our clients and, where relevant, drive positive impacts for our society and the environment.

Engagement

We believe engagement—if carried out well—is mutually beneficial as it enables companies/issuers to explain how their approach to sustainability relates to their broader business strategy and also allows investors to work closely with companies/issuers on specific governance, social and environmental issues which they believe pose a downside risk to the business. To that end, when we identify material ESG-related or other issues impacting companies/issuers in which we hold significant positions, we seek to proactively engage in active dialogue with management and the results of such interactions in turn inform our investment processes.

Investment teams managing our public funds regularly monitor and engage with companies/issuers in the normal course of their investment process and leverage the support of the Global Stewardship Team where needed. In our private equity business, members of the investment team may serve on the board of directors or invest with other external managers and may address ESG topics through board engagement or engagement with external managers. Investment teams in our public securities business selectively interact with company boards of directors when necessary and beneficial for shareholder or bondholder value. Engagement fosters productive dialogue between the investment teams and the company management team on sustainability risk management and value-generation opportunities.

Engagements are prioritized based on a variety of factors including position size, cadence of annual general meetings, headline events, and materiality of engagement topics. Engagement objectives are also established in different ways, but range from information gathering, encouraging specific disclosures and improved sustainability and governance practices such as adopting longer-term vesting schedules or adopting science-based carbon reduction targets.

MSIM recognizes that certain environmental and social issues can cause systemic risk to the economy and capital markets, and in some cases can pose an existential threat. We periodically identify sustainability focus areas that are of strategic importance to the global economy and long-term stability of the capital markets. These themes touch all of our investment teams to varying degrees depending on asset class, geography, investment style and strategy. In consultation with the investment teams, we may collaboratively engage alongside peer investors with individual companies/issuers or with groups of companies/issuers in order to support meaningful action on our sustainability focus areas. In doing so, we observe the requirements of local regulations and will act in accordance with our fiduciary obligations to clients.

Please see MSIM's Engagement and Stewardship Principles for more information on our approach to engagement.

Proxy Voting

MSIM views proxy voting as an integral part of the investment process, ownership oversight and ESG integration. All proxy voting decisions are made in-house based on collaboration between members of the investment team and the Global Stewardship team, and in line with the principles addressed in our Proxy Voting Policy and Procedures. We do not automatically support management recommendations but consider the merits of each proposal against relevant governance and sustainability criteria and base our voting decisions on the in-depth knowledge of our investment teams and the governance expertise of the Global Stewardship team.

The MSIM Proxy Voting Policy and Procedures addresses a broad range of issues and provides general voting parameters on proposals that arise most frequently. We endeavor to integrate relevant governance criteria along with our Proxy Voting Policy and Procedures with investment goals, using the vote to encourage portfolio companies to enhance long-term shareholder value and to provide a high standard of transparency such that equity markets can value corporate assets appropriately.

Please see MSIM's Proxy Voting Policy and Procedures for more information on our approach to proxy voting.

7 Advocacy and Collaboration

Our approach to industry engagement is focused on issues and initiatives that are credible, likely to be impactful to MSIM's business interests, are relevant to our clients, and which align with our materiality-focused approach to sustainability. To this end, we maintain memberships with a variety of international and regional organizations which serve to reinforce our sustainability commitments and priorities. A list of such organizations can be found on our website.

8 Training

MSIM's Investment Teams regularly participate in trainings about sustainability and ESG factors. As part of the on-boarding process, certain investment teams require new joiners and existing team members to complete training programs provided by third parties, particularly to gain an overview of Sustainable Investing and risk management. Annually, investment teams benefit from training programs facilitated by MSIM's Sustainability Team, the ESRM group and the Firm's Global Sustainable Finance Group, and both internal and external sustainability subject matter experts.

9 Reporting and Transparency

We publicly report on our Sustainable Investing activities annually, through dedicated Sustainable Investing disclosures, our PRI Transparency Report, and other disclosures required under our voluntary commitments or by regulation. Information about our activities is also included in the Firm's group-level sustainability reporting.

We also communicate with our clients on the sustainability characteristics of specific portfolios and related metrics through both periodic and tailored reports. We strive for timely responses to other stakeholders that request sustainability information, where disclosure is in line with our confidentiality obligations to our clients. Our individual investment teams also communicate their ESG efforts through investment forums and thought leadership pieces that describe their strategy-level approach and views on key ESG issues and trends or through strategy-level ESG reporting.

10 Related Policies

This Policy operates within a broader Morgan Stanley sustainability infrastructure, which is governed by several other policies as listed below:

- **Morgan Stanley Global Franchise Risk Policy** – internal policy that describes the firm's risk management framework for addressing potential risks, including environmental and social risk
- **Global Environmental and Social Risk Management Policy** – internal policy that outlines the Firm's framework to identify and assess transactions with potential environmental and social risks
- **Morgan Stanley Environmental and Social Policy Statement** – public document that outlines the Firm's commitment to identify and address environmental and social risk
- **Statement on Human Rights** – describes Morgan Stanley's commitment to protecting and advancing human rights through its business and operations
- **Morgan Stanley Code of Conduct** – defines standards of ethical conduct and integrity for Morgan Stanley employees

RISK CONSIDERATIONS

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.

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.

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. **Real estate investments**, including real estate investment trusts, are subject to risks similar to those associated with the direct ownership of real estate.

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 particular Strategy may include securities that may not necessarily track the performance of a particular index. A minimum asset level is required.

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

The views and opinions and/or analysis expressed are those of the author or the investment team as of the date of preparation of this material and are subject to change at any time without notice due to market or economic conditions and may not necessarily come to pass. Furthermore, the views will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date of publication. The views expressed do not reflect the opinions of all investment personnel at Morgan Stanley Investment Management (MSIM) and its subsidiaries and affiliates (collectively "the Firm"), and may not be reflected in all the strategies and products that the Firm offers.

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